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Canada Veterans Affairs, Special
Committee on, 1945

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SESSION 1945
HOUSE OF COMMONS

35

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 20

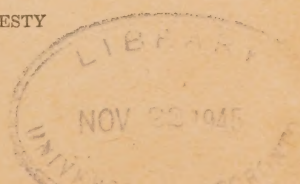
FRIDAY, NOVEMBER 16, 1945

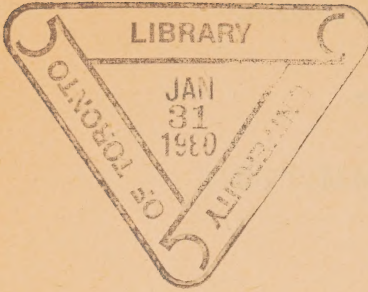
WITNESSES:

- Mr. W. S. Woods, Deputy Minister of Veterans Affairs;
- Mr. W. G. Gunn, Counsel, Department of Veterans Affairs;
- Mr. G. Murchison, Director, Soldier Settlement and Veterans' Land Act.

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REPORT TO THE HOUSE

FRIDAY, November 16, 1945.

The Special Committee on Veterans Affairs begs leave to present the following as its

FOURTH REPORT

Your Committee recommends that its quorum be reduced from 20 to 15.
All of which is respectfully submitted.

W. A. TUCKER,
Chairman.

MINUTES OF PROCEEDINGS

Friday, November 16, 1945.

The Special Committee on Veterans Affairs met this day at 10.40 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Ashby, Baker, Belzile, Benidickson, Bentley, Blair, Brooks, Dion (*Lake St. John-Roberval*), Emmerson, Gauthier, (*Portneuf*), Gillis, Green, Harkness, Herridge, Kidd, Langlois, Marshall, Mackenzie, MacNaught, McKay, Merritt, Moore, Mutch, Pearkes, Probe, Quelch, Ross (*Souris*), Tremblay, Tucker, Winters, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mr. W. G. Gunn, Counsel, Department of Veterans Affairs; Mr. G. Murchison, Director, Soldier Settlement and Veterans' Land Act.

On motion of Mr. Ashby, it was resolved that the Committee recommend that its quorum be reduced from 20 to 15.

Mr. Mackenzie tabled a copy of P.C. 6938, dated November 15, 1945: *The South African Nursing Services (Benefits) Order*, which is printed as Appendix "A" to this day's minutes of evidence.

On motion of Mr. Brooks, it was resolved, on division, that the Committee consider and report the proposed draft bill to amend The Veterans' Land Act, 1942, before proceeding to the proposed Rehabilitation Allowances bill.

Examination of Mr. Murchison was continued.

The Committee proceeded to the consideration of the proposed draft bill to amend The Veterans' Land Act, 1942, clause by clause.

Mr. Quelch moved that the Committee recommend that the practice of obtaining assignments of pension to meet payments under The Veterans' Land Act, 1942, be discontinued.

Discussion followed, and it was agreed that Mr. Murchison furnish information as to the circumstances under which assignments of pension are obtained, and the authority therefor, at the next sitting.

By leave of the Committee, Mr. Quelch withdrew his motion.

The law officers of the Department of Veterans Affairs were requested to prepare suitable amendments to clause 1 whereby a member of the Canadian Women's Army Corps would be included in the definition of "veteran" and to change the definition of "Minister".

Sub-paragraphs (i) and (ii) of clause 1 (d) were adopted without amendment.

At 12.40 o'clock p.m., the Committee adjourned to meet at 4 o'clock this afternoon.

AFTERNOON SITTING

The Committee resumed at 4.00 o'clock p.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Adamson, Ashby, Baker, Belzile, Benidickson, Bentley, Brooks, Dion (*Lake St. John-Roberval*), Emmerson, Green, Harkness, Herridge, Jutras, Marshall, Mackenzie, Macdonald (*Halifax*), Merritt, Moore, Mutch, Probe, Quelch, Ross (*Souris*), Tremblay, Tucker, Viau, Winters, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mr. W. G. Gunn, Counsel, Department of Veterans Affairs; Mr. G. Murchison, Director, Soldier Settlement and Veterans' Land Act.

Consideration of the proposed draft bill to amend The Veterans' Land Act, 1942, was resumed.

Clauses 2 and 3 of the draft bill were adopted without amendment.

At 5.30 o'clock p.m., the Committee adjourned until Monday, November 19, at 11.00 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

November 16, 1945.

The Special Committee on Veterans Affairs met this day at 10.30 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Gentlemen, it is the thought of the steering committee that very shortly we shall start holding some meetings while the House is in session, and to make sure, when we decide to hold these sittings, that we shall be able to consider business without having to wait for a quorum, I suggest that even although we so far have not needed to reduce the quorum that we take time by the forelock and reduce it just in case a situation should develop when it would be hard to get twenty members to attend. I suggest that we do it before we are forced to do it. So far we have had no difficulty in getting a quorum, but just in case there may be difficulty when the House is in session we might reduce it now. That will sort of prevent the feeling going abroad that the return soldier members of this House are not interested enough to turn out at committee meetings. But I can say that they have been furnishing a quorum fairly promptly, but we want to provide for the future meetings. What is the wish of the committee in that regard?

Mr. BROOKS: Mr. Chairman, as a member of the steering committee I would not have any objection to the quorum being reduced from 20 to 15, but I really think we should try to get on with the work as quickly as possible. If we are held up for the lack of a quorum it does not seem as though we would be able to get through with the work. Frankly, I have no objection to it myself.

Mr. QUELCH: At the outset of our deliberations I opposed the idea of reducing the quorum of this committee, but I can readily appreciate that from now on there will be a tremendous strain on the members in the house, and therefore it is probably advisable to reduce the quorum.

Mr. MACNAUGHT: It is O.K. with me.

Mr. BELZILE: Yes.

The CHAIRMAN: May we have a motion that we request permission of the House to reduce our quorum to 15?

Mr. ASHBY: I will so move.

Mr. BAKER: I will be pleased to second that motion.

Motion agreed to.

Hon. Mr. MACKENZIE: I want to announce to the committee that the order in council in regard to the Canadian nurses in South Africa has been passed. I have not got a copy of it now but it will come up here as soon as possible to you, Mr. Chairman, and it will be in the House this afternoon.

The CHAIRMAN: And now then, may we just take this Act this morning section by section in view of the decision to spend just one more day on it at the present time with the idea of trying to get the bill on rehabilitation allowances considered and the idea of coming back to this bill as soon as that is considered? If we are willing to sit in the afternoons I think that if we can agree amongst ourselves to make short and snappy speeches without too much in the way of argument we may be able not only to get the gratuities bill

through and this bill on allowances, but perhaps we will get the Veterans' Land Act through and the veterans allowance bill also. It is just a matter of co-operation. I feel that we might even hope to get all four through. So I would urge the members to carry on with this bill as they did with the previous bill, but not to go into too long, discursive observations. We will start first with paragraph 1, section 1.

Mr. BROOKS: Before you go on with that, Mr. Chairman, do I understand that the intention is to take this bill up to-day, then drop it and go on to another Act?

The CHAIRMAN: That was the decision of the committee yesterday.

Mr. BROOKS: Frankly, Mr. Chairman, I was not here, when this matter came up and I am sorry I was not, but I did hear that there was some intention along this line, and I feel that it is a mistake to drop along this line, and I feel that it is a mistake to drop the Veterans' Land Act. I do not know of any other matter which is more important to veterans who wish to go on the land than the Veterans' Land Act. It seems to me that if we do not get through the Act at this session it is going to cause a lot of hardship and confusion. I remember after the last war there was a holdup in the legislation regarding the then Veterans Land Act and so the men who intended to take up farming lost a whole year or more. I think that this Veterans' Land Act is one of the most important things that we have to consider. One has only to attend this committee to realize that there is considerable confusion regarding it. I feel very strongly that the subject should be cleared up. I do not know what the arguments were in favour of dropping it in favour of commencing with the post-discharge rehabilitation orders, which are only regulations. The minister said that in order to carry on under this Act, or at least under these orders which he felt were not satisfactory we should have it in the form of a bill. Reading over the orders I do not think there is as much confusion in these regulations as there is in the Veterans' Land Act, and I for one feel very strongly that the Veterans' Land Act should be completed. I believe it can be completed, and then let us go on with the post-discharge rehabilitation matters. That was considered, as you will remember, Mr. Chairman, by our steering committee, and it was our considered opinion that this was the important act that we should go on with next. I have no reason to change my views on it and I would like to see the committee carry on with it.

Hon. Mr. MACKENZIE: Mr. Chairman, may I make a statement off the record, please?

The CHAIRMAN: Certainly.

(Discussion continued off the record).

The CHAIRMAN: May we have the question? It is a matter for the committee to decide. There is no great amount involved in the thing. We are going to try to get them both through. Those in favour of reconsidering what we did yesterday and going on with the Veterans' Land Act until we finish, please raise their hands? Those against?

Motion agreed to.

The CHAIRMAN: Just before we go on to that, may I mention another matter. The minister referred to the order in council in regard to the South African nurses, and as there is a great deal of interest in that, and as I now have a copy of it, I will table it so that it may appear in the proceedings of the committee.

(P.C. 6938 appears as Appendix A.)

The first section is the one having to do with amending the definition of "veteran."

1. Paragraph (d) of section two of The Veterans' Land Act, 1942, chapter thirty-three of the statutes of 1942-43, is repealed and the following substituted therefor:—

- “(d) “veteran” means a person who at any time during the war declared by His Majesty, on the tenth day of September, one thousand nine hundred and thirty-nine, against the German Reich and subsequently against other powers, has been therein engaged on active service in a naval, military, or air force of Canada, or of any of His Majesty's forces if at the time of his enlistment he was ordinarily domiciled or resident in Canada, and
- (i) has served in a theatre of actual war, as designated by the Governor in Council under the authority of the *Pension Act*; or
 - (ii) has served only in those parts of Canada that are not designated by the Governor in Council as a theatre of actual war, for a period of at least twelve months, *not including any period of absence without leave or leave of absence without pay, time served while undergoing sentence of penal servitude, imprisonment or detention, or service in respect of which pay is forfeited*; or
 - (iii) wherever he may have served is by reason of disability incurred as a result of such service in receipt of a pension;

and has been honourably discharged from such naval, military, air force, or other of His Majesty's forces, or has been permitted honourably to resign or retire therefrom;

and “veteran” also means a British subject who was ordinarily domiciled or resident in Canada at the beginning of the said war and who is in receipt of a pension in respect of a disability incurred while serving upon a ship during the said war.”

The change provides that any period of absence without leave or leave of absence without pay, time served while undergoing sentence of penal servitude, imprisonment or detention, or service in respect of which pay is forfeited, shall not be included in the time of service which is required as a basis for qualification, which is one year. In other words, a man who served in Canada for one year is qualified for the benefits of the Act, and this provides that this one year shall not include time spent in detention and so on. Is there any discussion on that section?

MR. QUELCH: There is just one point I wish to mention, Mr. Chairman. Whilst I am not considering the amendment to the definition of “veteran”, I do think that perhaps the definition of “veteran” should be changed slightly. I do not see why we have a different definition in every Act. The Veterans' Land Act does apply to women in the army, does it not? In the definition in the next bill we are going to consider we include them in it. In the definition of veteran in the proposed bill on rehabilitation allowances for veterans we say that “veteran means a person who has been on active service in the Canadian forces or in receipt of active service rates of pay from such forces during the war, including a person who has served in the Canadian Women's Army Corps.” Why do we not have that in the definition of “veteran” in the Veterans' Land Act? In the definition of “veteran” in the Veterans' Land Act we say it means “person” and then all the way down we use the term “he”. We use “he” in every subsection. Women are not mentioned at all, but nevertheless they do come under the Act. So I think we should include women as well in the definition.

MR. WOODS: “He” means “he” or “she”.

MR. QUELCH: Why have we not used the terminology of the War Services Grants Act? We actually put women in that Act. Why put them in in the one case and not in the other?

The CHAIRMAN: That is out of abundance of caution, I guess. But quite clearly under the Interpretation Act "he" means a woman, and it has been so interpreted by the administration.

Mr. QUELCH: I just mention that because I have been approached by several women from the forces who were under the impression that they were not included; they referred me to the Act, asked me to show anywhere in the Act where they came under it, and there is no mention of them anywhere.

The CHAIRMAN: But you will find in the Interpretation Act, Mr. Quelch, that where "he" is used and "person" is referred to, it includes people of both sexes.

Mr. QUELCH: Very well.

Mr. GREEN: As long as the director knows that women are covered, it is all right.

The CHAIRMAN: Yes. That is the main thing.

Mr. GUNN: Mr. Chairman, with reference to the definition of "veteran", I think that there may be some advantage in the suggestion made by Mr. Quelch that it be brought into line with the definitions of the same word in other Acts. I do not see any objection at the moment to an amendment to make it conform with the definition in the War Service Gratuities Act. As you are aware, Mr. Chairman, these amendments that are being proposed in this bill are only to conform and ratify legislation that has been passed by orders in council, and no instructions were given and no attempt was made to streamline the particular Acts with which we are dealing. So I do think there is merit in the suggestion made by Mr. Quelch; and may I suggest, Mr. Chairman, that we be given an opportunity to see whether any material change would be made by bringing this definition into line with the one which appears in the War Service Gratuities Act?

The CHAIRMAN: I think we may take it that Clause 1 is carried subject to making it very plain that it includes people of both sexes.

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: So we can count on it that you will draft that up to make it very plain.

Mr. GUNN: Yes.

The CHAIRMAN: Then Section 2.

Mr. MERRITT: Before we go on to section 2 in the Veterans' Land Act itself, I notice that the minister means the Minister of Mines and Resources. Should not that be amended to be the Minister of Veterans Affairs?

Mr. GREEN: Yes.

Mr. GUNN: In answer to that, Mr. Chairman, by virtue of the statute—I think it was the one creating the Department of Veterans Affairs—a special formula was adopted, or rather a special clause or provision was adopted in that Act to bring about the effect of the change now mentioned by Colonel Merritt. In other words, it ran something like this, "Wherever the Minister of Mines and Resources is mentioned, it shall be deemed to mean the Minister of Veterans Affairs." That is another change that could be made; there is no question about that. I merely wanted to point out that it is not necessary; that is, it is not strictly necessary.

Mr. Ross: Mr. Chairman, while it is not necessary, I think it is rather confusing to leave it the way it is, especially for some of us who are not lawyers. I think we should simplify this thing and put it in the layman's language while we are dealing with it, and that we should amend it.

The CHAIRMAN: We are amending section 2 anyway, so we may as well include that in it. I think that is a good idea.

Mr. MERRITT: There is one other point I want to ask about. I notice, in the definition of "veteran" in the main Act, the three classes: those who served in a theatre of actual war, served only in those parts of Canada, etc., and those who are in receipt of pension. What about somebody who served only in England and did not get to a theatre of actual war? It seems to me there is a gap there.

The CHAIRMAN: England is defined as a theatre of war in all our Acts in regard to the present war. It is under authority of the Pensions Act.

Mr. QUELCH: There is another point here. I do not see where else I can bring it up. It has to do apparently with a regulation although I cannot find the regulation in the red book, but I know that the regulation exists. It has to do with subsection 3 of 2(d) which refers to allowing veterans to come under the Act with a disability. I understand that the practice is where a veteran is in receipt of a pension the Veterans' Land Act administration require him to assign a certain portion of his pension to the veterans' land board in payment of the debt against the land. I think that is a very bad practice.

The CHAIRMAN: Are you not thinking of the War Veterans' Allowance Act?

Mr. QUELCH: No, I am thinking of the Veterans' Land Act.

G. MURCHISON, Director, Soldier Settlement and Veterans' Land Act, recalled

The WITNESS: Could I speak on that? There is no requirement in the regulations or anywhere else that a veteran must make an assignment of his pension, but as a matter of agreement between the administration and the veteran, as a matter of convenience in meeting the small monthly instalment, that has been done in a limited number of cases where a monthly instalment is the basis of the settlement contract. It may be anywhere from \$8 to \$15 or \$16 a month. By agreement with the veteran he assigns that amount of his pension. The result is that there is never any billing done. His contract is met automatically through the Department. There is nothing that has any force of a regulation along those lines at all. It is purely a matter of arrangement between the administration and the veteran, and it is working out very advantageously to the veteran.

Mr. QUELCH: Is it made perfectly clear to the veteran? I have had objections made to me by veterans that it is not. Is it made absolutely clear to the veteran that it is optional whether or not he assigns a certain portion of his pension? I had quite an argument over this with one of your men who said that it was being done in order to assure that the veteran would be able to pay his debt even if he happened to have a poor crop. I think in that case that is the very time that the veteran should be assured of the pension so that if we run into a depression or low prices he will be assured of sufficient income to enable him to pay his store bill. If anyone is going to be left short during a depression I think it is the department that should be short rather than the veteran. The same thing applies to small holdings because if a man loses his job he will require his pension to live on. If he loses his job I think it is the department which should go short rather than the veteran. When you say it is absolutely optional I understand that a lot of the veterans are given the impression they are required to assign a certain proportion of their pension. I know it is in black and white because I have read the regulations regarding this very thing. I have seen it in black and white.

The WITNESS: Not in the form of a regulation.

Mr. QUELCH: That assurance is not given the veteran. He is given the understanding that he is required to assign a certain portion of his pension. I think it is not a sound practice. There is nothing preventing the veteran from

using a certain portion of his pension to pay his yearly payment, but I do not think it should be in the form of a contract that he has to do so because even the most optimistic of us realize that the time will come when many of these veterans will lose their jobs. When they lose their jobs they require their pensions to live on. The same thing applies to veteran under the Veterans' Land Act. The time will come when prices will fall very low, and these veterans, just as the civilians, are going to have very grave difficulty in paying their store bills. If they have a pension to live on it may make the difference between that veteran being able to carry on or not carry on. I think that practice should be cut out entirely.

By Mr. Brooks:

Q. May I ask Mr. Murchison this question? Are these agreements which they enter into for a period of years or are they from year to year? I can understand a man being bound by an agreement over a period of years when hardship would be created perhaps in some year, but if it was made each year with a perfect understanding of the situation at that time and the veteran wished to do it I can see where there would not be so much objection.—A. There is not a thing in the world to prevent any veteran who enters into that arrangement from cancelling at any time because there is nothing in the Pension Act which would give such an arrangement the force of law. The fact that practically none of the veterans concerned have asked for any discontinuance of that arrangement is, I think, pretty fair evidence that the veterans themselves are satisfied. I do want to assure the committee that there is not a thing in the world to prevent any veteran who enters into an agreement of that kind from withdrawing from it at any time he sees fit. I think as long as the veteran enters into it on that basis and has that right of withdrawal there cannot be any serious objection taken to it.

Mr. QUELCH: As long as he understands that I would have no objection.

The CHAIRMAN: I thought this was in the Pension Act, and I am just wondering about section 20 of the Pension Act, subsection (3) where it says:

“(3) No pension shall be assigned, charged, attached, anticipated, commuted or given as security, and the Commission may, in its discretion, refuse to recognize any power of attorney granted by a pensioner with reference to the payment of his pension.”

Therefore, unless there is an order in council, Mr. Murchison, it seems to me that you are breaking the Pension Act.

The WITNESS: I do not think we are breaking the Pension Act half as badly as it is being broken in other directions. If you go back into the history of the Pension Act you will probably find that a very large number of rehabilitation loans, or small business loans, that were made to veterans after the last war were recovered through their pensions. I think there were about 10,000 veterans' insurance policies that were paid off by assignment of a small portion of their pension. That has been going on for years, and whether it is right or wrong it has worked very satisfactorily.

The CHAIRMAN: I lay this before the committee just for the guidance of the people who are doing these things. Section 42 of the Pension Act says:—

42 (1) Any person who lends or gives or attempts to lend or give money or credit or any other consideration for the assignment, charging, attachment, anticipation, commutation or giving as security of a pension shall be guilty of an indictable offence, and shall be liable to imprisonment for a period not exceeding one year, or to a fine not exceeding \$500, or to both imprisonment and fine.

Mr. Ross: It is a matter of administration. I do not think we should take much time because the Act is pretty clear, but I want to say to Mr. Murchison that I think he and his staff are pretty hard fisted business administrators because they do put pressure on these boys to assign their pensions. There is no argument about that. These boys have not got anyone to counsel them there. They do not know the Act. It is purely a matter of administration. Is that not right?

The WITNESS: I suppose you might put it that way.

Mr. QUELCH: Is it not correct that this veterans' committee whilst dealing with the Act nevertheless has the right to criticize or make recommendations in regard to the administration of the Act?

Mr. Ross: Exactly.

Mr. QUELCH: If it is necessary to move I will move that we recommend that practice be discontinued.

Mr. Ross: I should like to second that. I think a lot of our difficulties today are a matter of administration. It is the same in getting these boys settled today. The Act is there to carry on but I can tell you that I find a lot of grievances in the matter of administration.

The WITNESS: I should like to say a word on that before that is adopted. After all we have something like forty-five advisory committees set up across this country, all responsible people who are not on the staff of the director. They are appointed by Governor in Council to advise the director and his administrative staff in the approval of qualification certificates and in the establishment of these veterans on their respective properties. I think it is going pretty far to suggest to all these responsible men around the country, who are giving a lot of their time to this work, that their judgment in the approval of the establishment of a given veteran is going to be restricted along the lines that have been indicated here, because in all fairness and decency to pensioners there are cases arise where the receipt of a pension is the factor which justifies that committee in recommending that he be established. It is a fixed income, and it is an important factor in quite a number of cases in the decisions of these committees to approve his establishment. If you want to lay it down hard and fast that they must not consider that pension at all, that it is something that can never be relied on as income towards keeping that man's roof over his head all right, but I suggest that you are going to restrict unduly the exercise of sound judgment on the part of a lot of very fine committees across this country.

Mr. QUELCH: Mr. Chairman, in reply to that I would mention the fact that no soldier will be settled under this Act purely on the basis of the pension he receives. He will be settled under it partly because we think he will have the ability to obtain a job, partly because we think he will have the ability to develop his small holding, and partly because we think he will have the ability to develop his farm and get an income from it. Therefore, I suggest that where a veteran is in receipt of a small definite income, a disabled man—

Mr. Ross: As a pension.

Mr. QUELCH: As a pension, we should guarantee he will always get that so that if hard times come he will be able to live. Then, when he receives his income either from an industry or from the farm that is from where the portion of payment required by the Veterans' Land Act administration should come. I can see, just as it has happened in the past, that when bad times come that veteran's standard of living is going to be reduced below the level that it should be reduced. I think that we should keep the pension absolutely immune from any seizure even though you may call it voluntary because I am not satisfied it is entirely voluntary.

By Mr. Emmerson:

Q. I want to ask a question of Mr. Murchison. He spoke of these advisory committees. Of what type of men are these committees composed? I presume there are some veterans on these committees. What percentage of veterans would be on these advisory committees?—A. I would say that 90 per cent of the members of these advisory committees are either veterans of the last war or their sons have been on service during this war. I should like to say in answer to the statement made by Mr. Quelch that we have already established quite a fair number of veterans who are in receipt of full pensions. I make no apology at all when I confess to this committee we have already established on small holdings four double amputation cases, men who are in receipt of a full pension. That is their main income and it will be their income for the rest of their lives. Surely it is not going to be suggested that in the administration of an Act of this kind we should say to a man who is in receipt of a full pension for disability of that character that because you are a full pensioner and because you are looked after we are not going to have anything to do with you because we cannot dare rely on payments from your pension to pay the modest charge to keep a roof over your head under this particular scheme. That is the extreme we would be carried to if we were to say that pensions must be completely disregarded in considering the merits or demerits of any case that comes before these committees.

The CHAIRMAN: I suggest, gentlemen, that in view of the Pension Act, parliament has laid down the principle. If this practice is actually being carried on, it must be under some provision. So I suggest that we leave that over for Mr. Murchison to look into. If some provision has been laid down it is likely that it has been hedged about by some protection, in fact, everything that can be done to protect the veteran. But it does seem to me that if assignments are being taken against the plain provisions of the Pensions Act, there must be some authority for so doing. I suggest that we leave it open until we can get full information on the matter, because I cannot imagine any more sweeping statement of principle than we have got in the Pension Act, which says that a man shall not be permitted to assign his pension. So, if that has been changed, let us wait until we can get full information on the subject.

Mr. QUELCH: There may be an order in council governing that situation, and if there is, we should be allowed to see it. I would point out that when the Settlement Board did something of a similar nature in regard to the veterans of the last war, an order in council was passed empowering the Soldier Settlement Board to acquire a certain proportion of the veteran's allowance.

The CHAIRMAN: That was by reason of a recommendation of a parliamentary committee.

Mr. QUELCH: Yes. But there was an order in council governing that, and if there is an order in council in this case, we should see it.

Mr. ROSS: I am quite willing to adopt that suggestion that we see what authority is being worked under.

Mr. GILLIS: I think this whole discussion belongs to the pension machinery. I think you will find that under the Act the Pension Board has some discretionary powers. Many times a pension is put completely under an administration. For instance, if you are not living up to your obligations, the commission has discretionary powers to allocate your pension. They even go this far: if I am in receipt of a pension which is paid to maintain me, and if I get myself into debt for groceries or anything else, then the merchant to whom I am indebted has the right to write in to the commission and to set out his bills, and the commission may take out from my pension in order to pay those bills. I imagine that is how Mr. Murchison's arrangement is made here.

Mr. Ross: He is in the grocery business.

Mr. GILLIS: I think this rightly belongs to the Pension Commission under the Pension Act. Personally, I think we could pass that bill this morning if we went along and kept the discussion relevant to this bill, and, when matters arise, to place such matters where they belong. This bill, in my opinion, is the most important bill we have got. This is the only piece of machinery that I see through which you are going to put men to work. That is our basic problem. We should get this thing finished, and we should send Mr. Murchison back and say: get those 35,000 applications before the end of 1946. He has already told us that he expects to get only 17,000 applications done by then. But there are many odds and ends in our way. I would like to see things started up, and I would like to see us get to work on them. I think these bills really belong somewhere else. I think the place to correct them is on the floor.

Mr. QUELCH: I think Mr. Murchison said that the reason they settle some people under this Act is because those people have a pension.

Mr. GILLIS: But the Pension Act must give that authority or otherwise they would not do it.

The CHAIRMAN: There must be some authority somewhere, I presume, or else the practise would not prevail. I imagine it would be hedged about with protection for the veteran. Shall we not have Mr. Murchison explain just how it is done on Monday, because there must be some reason and practise in regard to it. I thank Mr. Gillis for what he has said. I think this properly comes under the heading of administration. We will hear from Mr. Murchison on that subject on Monday. Now may we consider subsection 2.

Mr. WRIGHT: It says, under subsection 1, that leave of absence without pay shall not be considered as time in the year that the soldier must have as service. Now, there are a lot of chaps who were given two or three weeks leave of absence to work on the farm during harvest time. Now those chaps may find that they are out. I know of one case where a man had 361 days, and he cannot come under the Act, because, during harvest, he had gone home to assist for three weeks. I wonder if some change should not be made. I do not think it should be opened up entirely, because there are cases where men have been in the army for a year, while nine months of that year they have been absent without pay carrying on their regular work. But it does seem to me there might be a division made so that those who were out for, say a month, might be given consideration, and those who served without pay for over a month might be left out. It is a matter for the committee to decide and to consider.

Mr. BENTLEY: I think that is correct, Mr. Chairman. It is very easy to forget emergencies after they pass. But I remember quite well the years when harvesting was difficult to get done. There was quite a demand from large sections of the public to get soldiers released in order to help in that work. During that time there might have been many soldiers who, through a sense of duty, consented to go out and help with the harvesting, but who personally might have found it more agreeable to remain in the army and continue their training. So, if this could be changed in order that the director might decide whether they were on essential work during that period of absence without pay, it would be better and fairer for them.

Mr. HARKNESS: For men who served only in Canada, I think the thing is broad and fair enough as it is, and I think we should pass it as it stands.

Mr. Ross: It does not apply to people serving in Canada. We have granted leave to many of these chaps without pay in order to help with harvesting. That might very easily put them out. They might be more deserving cases than some others who just put in time, during the same period, in the army. We should make sure that this does not prohibit some of those deserving chaps. As it stands I think it might.

Mr. WINTERS: I would observe, as Mr. Wright says, that you have to draw the line somewhere. He says there are some veterans who had 361 days. Suppose you take a year less a month. There will be some veterans who will just miss that line by two or three days. No matter where you draw the line, you are bound to have some unfortunate cases. I do not think this yardstick can be used as to whether every man is deserving or not, as Mr. Ross says. So, I think we should pass the Act, and accordingly, I second the motion.

Mr. BENTLEY: I have to oppose it, because some of this work was essential war work at the time. I do not want to cut it off by a matter of days. I would rather see the administrator have the authority to decide whether a man absent without pay was on essential war work.

Mr. BENIDICKSON: But other people were on essential war work and they are not getting \$2,300 out of the taxpayers. I mean civilian war workers.

Mr. BENTLEY: But this was made for war veterans who volunteered for active service. It was not always their fault that they were not overseas carrying a gun.

Mr. WRIGHT: They were not just let out. They were told to go to a certain district and to work on a certain farm. It was not voluntary on their part.

Mr. BROOKS: A good many of those men were out for six months, and then they applied for a further six months leave. I know of quite a few cases that came under my command. I know of the case of a man who was in the army in Canada for five, six, eight and ten months who had some disability, not pensionable; this man was let out. I have the case in my office of a man who was in the army for ten months who was let out, but this man cannot buy a farm because he was not in the army for twelve months. Once you open up that class, you are going to have half a dozen other classes. I think we should have some definite line. It might be eight or ten months or a year. I do not like this whittling down all the time.

The CHAIRMAN: You already have it in. I do not doubt there are many applications from those who are qualified including hundreds and thousands who went overseas and served in the theatre of actual war, as well as men who did not get outside of Canada. That is something that has to be borne in mind. When you let in everybody, not only volunteers but N.R.M.A. people, everybody who served in Canada only, and then you say but who at least must have served one year, giving good service for which they got paid by the country, then, if you begin to cut that down still further, somebody may come back from overseas to find out that he cannot get what he wants. Although he may have served for five years overseas, yet this man cannot get land because there is not unlimited land in this country.

Mr. PROBE: Oh, sir, that is not a true statement.

The CHAIRMAN: I say that there is not unlimited land in this country.

Mr. PROBE: Anyone who says that has not studied the reports.

The CHAIRMAN: If he comes back and finds that to be the case, he will not feel so good.

Mr. QUELCH: Is it not a fact that the men who have been overseas will be given priority over the others?

Mr. BENTLEY: I think the director has given us such assurance.

The CHAIRMAN: He is trying to hold back the people who served only in Canada in order to give the others an equal chance, at least. But, once we say that a man can qualify with ten months service in Canada, then it lets in more and more. And as Mr. Winters has said, somebody will say: I am only a few days short of ten months. Let us cut it down to nine months.

Are you going to give benefits to a man who just entered the uniform? Then, the question will arise: what are you going to do for the man who has given five or six years? It is the same as the preference. The more you extend it, the less benefit do you give to the man who has long service.

Mr. BELZILE: I have in mind a particular case of a man who was drafted in 1941. He served about five months in the army and since then he has been on perpetual leave of six month periods which are renewed from time to time. He is out of the army, but he is still in the army in the sense that he can be called back any time. I wonder if it is the intention of the committee to have this man eligible to the grant?

Mr. QUELCH: Not under the Act.

Mr. BELZILE: Well, he has been away on leave without pay for about two and one-half or three years.

Mr. HERRIDGE: I support Mr. Brooks' approach to this question. I know of several cases of men who got leave for logging. They did essential work and got leave for months and months. If you make this act much wider, it will be almost impossible to administer it.

Mr. WOODS: May I point out that the committee has just passed the War Service Grants Act which only gives a man credit for the time he served without pay, for gratuities and credits.

Mr. GILLIS: I do not know, but perhaps this could stand over and have Mr. Murchison check it. I can, for instance, think of the emergency in the coal mining districts in 1942. Along toward the end of 1942 you will recall that they passed an emergency fuel order in council. There were some 1,800 coal miners who were called before their commanding officers and routed back to the industry arbitrarily—men who enlisted in the first place to get out of coal mining. They served the rest of their time back there in the mines under the authority of that order in council. They come here for consideration. I do not know that many of these fellows want to go back onto the land. There may be some. There are a whole lot of qualifications of the kind brought to the attention of the committee by Mr. Wright. For instance, there is an airport within a half a mile of my home and a lot of the chaps there are from Saskatchewan. When harvest time came along they did not have a chance to volunteer for it, they were called in and told that an emergency existed and they were sent to help with the harvesting for a period of three or four months; not because they wanted to, not because they had applied for it, but to relieve an emergent situation. There are many classifications which come within the scope of this thing. I know that there has to be a cut-off somewhere. My approach to this whole matter is, as I said before, that it is most important. I believe that unless we can work out a sound agricultural policy in this country and properly utilize our manpower and know what we are doing in that regard we are not going to solve any of our economic problems. I think it is a basic problem this country has to face, rather than looking at it from the standpoint of its being merely a grant of land as a reward for service. I believe the government approach should be that in order to build up a sound economy in this country we have to build our agricultural set-up and plan it for the future. It is not a reward, in my opinion; it is getting back to where we should be, utilizing land and so on.

The CHAIRMAN: I would point out to the committee that the purpose of this Act is to rehabilitate and resettle veterans. The argument could be used—and I am getting representations on it all the time—that people were compulsorily assigned to industry and they would have the right to these benefits. They too would say: we volunteered but we were assigned to essential war industry; we have the same rights as the others; why should we not get the same benefits? Of course, once you say the man who was compulsorily assigned from the army

to industry is to receive consideration you have to open it up for consideration of others also. As a matter of fact, a great many of them are already making representations, and in that way you are tangling up the whole re-establishment program of the country and thereby confusing the primary objective of re-establishing and rehabilitating the veterans. I think this Veterans Affairs Committee should be the last one in the world to get tangled up in that way. That is my suggestion to the committee.

Mr. Ross: I would like to direct one question to Mr. Murchison. Is it a fact that you are not taking any N.R.M.A. men at this time; that preference has been given to overseas men? That is where it should be given—give the advantage to the people who volunteered and went overseas. Is not that what you are doing under this section as it stands? We ought to protect the men who went overseas first.

The WITNESS: I might say, Mr. Chairman, that until VE-day we had declined absolutely to deal with applications for qualification under the Act from a member of the N.R.M.A. forces, unless he had been injured while on training in Canada and was in receipt of a pension with respect to that disability. Now, we carried that administrative difficulty ourselves for about a year during a quite crucial period in this country; but because of the Act reading as it does, we felt we had no right to continue refusing to deal with applications from members of the N.R.M.A. forces after VE-day, but we did continue the restriction that they would not get access to any property that we had purchased for reserve purposes on behalf of men who had served outside of the country. But as the Act stands there is nothing at all to warrant our refusing to accept applications for qualifications and for the establishment of a member of the N.R.M.A. forces who seeks out his own settlement opportunity. That is the way it is functioning at the present time. That is the only way we can function within the law as it stands.

Mr. Ross: Mr. Chairman, that is the point that I wanted to have brought out, because I know a chap who, as this thing is worded here, volunteered early in this war and through no fault of his own did not get overseas. As a matter of fact, I know a number of these chaps. They were anxious to get over but could not because their services were considered more essential here. There are cases looking for settlement now. On the other hand, you are giving out the impression that chaps who were drafted and served two years in the forces in this country can go out and seek for their own land and in that way establish their entitlement. Yet here we are closing the door to people who through no fault of their own did not get over there, men who volunteered right at the start and did all they could to get over. We are going to bar them. I want to see the preference given to the men who got overseas. I think we have got to consider that.

Mr. GREEN: Why is there no definition of "active service" in this Act? We had it in the War Service Grants Act. Perhaps we should keep the two Acts in line—have some definition in this Act—

The CHAIRMAN: This Act is so drafted as to apply to N.R.M.A. people. It is much broader in its application in that respect. I point out to the committee that you are putting an impossible burden on the administration in that you say that certain people are qualified for the benefits under the Act then they cannot pick and choose between them. To do otherwise would be placing an intolerable burden on them. Bear this in mind, that the administration is ultimately going to consider the people whom you say shall have the benefits under this Act, each exactly the same, all along the line. To do anything else would result in charges of discrimination in the administration of the Act. There are bound to be suggestions of unjust discrimination, and that would expose

them to criticism. So you are almost bound to treat anybody who comes within the provisions of the Act on an equal basis. I do not see how you could avoid it.

Mr. GILLIS: Why not leave "service in Canada" out altogether?

The CHAIRMAN: There was a lot of pressure to leave those people out.

Mr. GILLIS: Then you would have been able to handle the boys overseas.

Mr. PROBE: Mr. Chairman, may I ask a question? The matter has to be considered of extending gratuities and re-establishment credits to pilots who had some service in Canada and who were impressed, to all intents and purposes, by civilian organizations for the purpose of training pilot candidates. Assuming that such an instructor had less than one year's service in the regular air force in Canada and has spent several years as an instructor, what would be his status after several years as an instructor at a civilian flying organization; what would be his status under this particular section?

The CHAIRMAN: We will ultimately have to deal with that, Mr. Probe; that is, the whole situation as regards civilians. We decided to put that off until we got some legislation put through for the veterans.

Now, is it your desire as a committee to entertain the motion by Mr. Harkness that we consider and give our approval to section 2 as it stands; or, is it your desire to lay it over for further discussion?

Mr. GILLIS: Mr. Chairman, may I ask one question? Do I understand correctly that first priority goes to men who have service overseas?

The WITNESS: Only in so far as it relates to priority to property which we have purchased for reserve purposes during the course of the war.

Mr. GREEN: Why do you make that distinction?

The WITNESS: Because, for one reason, I gave an undertaking overseas and I gave an undertaking to the government that that was the way it was being bought, for the men who were not here.

Mr. GREEN: I do not mean why do you make that distinction between the two groups; I mean why do you make that distinction with respect to land purchased for that purpose?

The WITNESS: We were given instructions by the government to purchase land, commencing at the time the Act was brought into force in November of 1942—to acquire land for several purposes later on, to take advantage of prices which existed at that time with a view of building up a reasonable supply of land for settlement purposes. Now, we were not able to carry that program as far as we wished because there was quite a marked increase going on in the asked prices for land, and accordingly we proceeded rather cautiously. We have acquired quite a substantial amount of land, around \$12,000,000 to \$14,000,000 worth; but after all that is not a very great deal in relation to a scheme of this magnitude; and it was felt in fairness to all concerned that for the men who were overseas and not here in a position to negotiate for themselves we should, as a matter of opinion facing the administration, hang on to these properties until the men who had overseas service had a chance to make a selection from them.

Mr. GREEN: I agree with that, but why does not the same rule apply to the land which you are purchasing now?

The WITNESS: We are purchasing land now only through the direct application of a veteran. We are not engaged in the purchasing of reserve land now that the war is over. We are fully engaged with specific applications. We are not forcing any land we have on any veteran, but if he wishes to make a selection from the land we have purchased he is quite welcome to do so. And I may say

that I expect by early next year that land will all have been settled by veterans who have overseas preference.

Mr. GILLIS: Have you any idea as to what the percentage of applications is from members with service in Canada only?

The WITNESS: I have not got that with me.

Mr. HARKNESS: If I may be permitted to say another word, it seems to me that the principle here is the more we broaden this Act the greater the disadvantage to the man serving overseas, particularly the one over there now. The more people there are made eligible to benefit under the Land Act the greater the competition for desirable pieces of land is going to be, and that in turn will make it more difficult for the men who will be coming back here six months or more from now to get a reasonable piece of land. For the protection of the men who served overseas, and particularly for those who are still there, I certainly would be very much against having the thing involved any more than it is.

Mr. QUELCH: Mr. Chairman, I am quite prepared to support the section as it is, because I think the policy outlined by Mr. Murchison is sound: that land acquired by them on their own initiative be held for men with overseas service. When the veteran in Canada finds land himself there is no reason why he should not be assisted in becoming established. There may be some little difficulty in equipping him with buildings of the type he may desire, and that sort of thing, but he could at least get the land.

The WITNESS: There is a very practical aspect to it also. The men who have had service in Canada, men of that type are able to get access to settlement opportunities in their own communities which are not available probably to men who served overseas and who are strangers in those communities.

Mr. WRIGHT: I might say, Mr. Chairman, that I am in perfect agreement with what Mr. Murchison stated as to holding land purchased for men overseas. I merely raised this matter to have it discussed. As a matter of fact, I think the Act is all right as it stands. But I thought the matter should be discussed because there are groups who were, through no cause of their own, sent from the army into industry or into farming for short periods. I just wanted to bring that matter up and have it discussed in the committee. I do not want to press my point.

The CHAIRMAN: I think it is very good that it should be discussed because there are many in this category who cannot understand why they should not be brought under the Act. May we carry this as it stands?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: And now clause 2:—

2. The said Act is further amended by adding thereto, immediately after section seven thereof, the following heading and section:

"BUILDINGS AND IMPROVEMENTS"

"7A. (1) The director may for the purposes of this Act:

(a) erect on land acquired by him such buildings or effect such other improvements as he may deem necessary;

(b) enter into a contract with a person, firm or corporation or with a province, city, town or municipal authority, for the erection of such buildings and for effecting such other improvements as he may deem necessary; and

(c) grant a roadway, right of way, easement or other right or interest in, over, through or upon such land.

(2) For the purposes of this section the expression "improvements" includes works for sewage disposal, works for the supply of water, gas, electricity or other services, roads, drainage and the cost of preparing plans of subdivisions and any other plans required for such improvements."

Mr. GREEN: This clause 2 provides for additional powers of the director in the way of erecting buildings, contracting for the erecting of buildings and improvements, for granting any roadway, right of way, easement and so on. Then in subsection (2) of the new Section 7A, it defines "improvements" as meaning works for sewage disposal, works for the supply of water, gas, electricity or other services, roads, drainage and the cost of preparing plans of subdivisions and any other plans required for such improvements.

Is it the intention that this Act will be used to establish settlements that would require these services such as water, gas and so on? I understood from Mr. Murchison yesterday that there was some sort of settlement of that type near Kingston that would require the pumping of water from Lake Ontario. Presumably that is a power that is to be given by this section. I do not know much about this Act, but it does seem to me that there is a grave danger of the whole thing being bogged down if the Veterans' Land Act administration goes into schemes of that type to any degree. I have always understood that this Act was for the settlement of veterans on farms or, as it was stated in the preamble to the original Act, part-time farming and the promotion of semi-rural life in Canada. I am just afraid that the emphasis is being put on the wrong type of development under the Act, that rather than putting it on the establishing of men on farms, it is becoming a housing Act in indirect competition with Wartime Housing and perhaps with housing under the National Housing Act. I admit that there is great need for houses for veterans, but is there not a danger that the whole scheme will be seriously undermined if the emphasis continues to be placed on what is really housing rather than on the establishment of farms?

The CHAIRMAN: Would you like to comment on that, Mr. Murchison?

The WITNESS: Commenting generally on the point raised by Mr. Green, I might say that I am generally in agreement with what he says; but the administration has been faced with some very important practical difficulties. This small holding part of the Act has proved to be intensely popular throughout all branches of the armed forces. It was our original idea, and it still is, that this small holding establishment be given the widest possible dispersal and distribution throughout and around all our smaller centres of population in Canada as well as around the perimeters of the large centres of population. It is obvious that the greatest pressure on the administration, so far as this small holding idea is concerned, must originate in those areas where we have the largest concentration of veterans, which is in the large centres. We would much prefer to have been able to purchase 2 or 3 acres here and, a quarter of a mile away, buy another 2 or 3 acres, and put down a well and establish it as a small farm. That would be the ideal distribution. That would be giving expression, I think, to the philosophy behind the idea of a small holding or a part-time farm where a man could engage in some other main occupation for his principal requirements.

But coming at the thing in a practical way, we found that it was quite impossible around the perimeters of our larger centres of population to acquire small blocks of land in anything like the amount that would be required. One reason for that was that small acreages of land already equipped with buildings were not for sale. The owners, up against the same housing problem as many thousands of other people, were hanging on. A second reason was that the price being asked for that type of acreage was quite prohibitive if we were to go ahead and build a decent home on that property after we purchased

it. So, in order to make a start, to give some practical expression to what we were expected to do, we were forced into the next practical alternative of buying substantial acreages of land; and when that is done it is necessary to break them up, to subdivide them, so that a veteran may have ready access to a small parcel of land. That, of course, involves construction. It involves compliance with local building codes, with local health laws as to sewage, with local health laws as to water supply and so on. To that extent it has been necessary for the administration to have powers to carry out the work.

I can give Mr. Green an example close to his own home, the case of Lulu Island, for instance. There is there a municipal water system servicing the whole island. That is the only source of water supply available. Obviously we must connect up with that municipal system. Obviously we must pay for the extension of electric power lines to bring power to those various homes. I should be very, very pleased indeed if we could carry this small holding plan forward on the basis of a much wider distribution, and we are working to that end. That, of course, will depend on the degree of interest on the part of veterans for this type of establishment around our smaller centres where the difficulties as to land are not anything like as acute; but they have been very acute around cities like Vancouver, Winnipeg, Hamilton, Toronto, Montreal and so on.

All we have done thus far is a modest demonstration of our good faith as administrators towards getting a limited number of small holdings ready to meet the impact of demobilization. I am just as anxious as any one, as I say, to get distribution on a much wider basis and to get away as quickly as we can from these larger concentrations. I want the committee to realize that if the administration is to be directed toward a general contraction of this small holding idea, which is very popular among the forces, and if we are to contract that idea very substantially, then two or three things are going to happen. One is that there is going to be a good deal of disappointment to large numbers of people in and out of the services; another is that it is going to increase the agitation which is already acute enough so far as urban housing is concerned; and thirdly, it is going to increase pressure for the establishment of far more veterans as farmers than is the case at the present time, and it is going to result in an increased establishment as farmers of boys who are not by temperament, aptitude or experience possessed of such requirements as would give them some reasonable promise of success as farmers.

I can just merely take the committee back to the years immediately following the last war. During the first two years under the Soldier Settlement Act we had 59,600 applications for qualifications as farmers. That was in the first two years. 19,770 were established, and I do not think it is overstating the case to say that the administration has never heard the end of it. They were established because there was such great pressure, and the results which followed occurred because so many men were established as farmers who were not by temperament, background or experience very well equipped to be farmers. I leave the thought with the committee that these other things will likely happen if we shape our administration towards any serious contraction of this small holding plan which is very very popular throughout the forces. I agree entirely that as quickly as it can be done we should work to the end of wider distribution of these small holdings, and so far as is practicable to avoid setting up large concentrations of veterans on these small holdings.

By Mr. Green:

Q. Do you have any requirement that an applicant must be prepared to do at least some farming? That is, must he have a cow?—A. No.

Q. Or have any equipment at all?—A. No.

Q. Or does it merely amount to giving him housing? In a suburban area is that what it amounts to in most cases?—A. Around the larger areas, that

is what it amounts to, to be quite frank about it. It is probably a thinly camouflaged housing scheme. I will make no bones about that. But at the same time, Mr. Chairman and gentlemen, we have established quite a number and quite a variety of small holdings. They go all the way from half an acre up to 25 acres. We have a man doing a wide variety of things on a small piece of land. He is either going into greenhouse work or he is a poultry man or he is a part-time farmer and part-time fruit grower and so on. There are so many combinations of things which tie in with this small holding type of settlement that I feel it would be a mistake to attempt now to back-track and say that that is not good rehabilitation, because I am satisfied it is.

Q. Then by pressure of applications and by the demand for these small holdings, have you been driven one step further into the position of establishing settlements, establishing what will be villages or small towns which call for water, light and other utilities; and in those cases will the cost of all those installations be charged up to the different holdings?—A. Yes. We are being driven by the weight or the volume of applications originating in these larger centres of population to do the thing that you have just mentioned.

Q. Then is the cost of those services added on?—A. The cost of the services must be capitalized over the subdivision; and our objective is to keep all these things within a ceiling cost of \$6,000 per unit.

Q. And in those cases then, you would use the whole \$6,000 for land. There would be nothing for equipment and cattle and so on?—A. Very little. Well, there will be variations to that, depending upon the type of house and the subdivision on which it is built. There will be many which will run pretty well right up to the ceiling. There may be a few that will slightly exceed it, because the cost of construction is a little unpredictable these days. Then there will be many more where the cost of land and buildings, everything complete, will vary from \$4,500 to \$5,500.

By Mr. Wright:

Q. Will this position not force you eventually to enlarge these groups into much larger groups than you have at present? For instance, if you are going to pipe water into 20 houses, it is much cheaper to pipe it into 100 than it is to 20; and the same thing applies if you are going to put in light or telephone or any of other facilities that are necessary for our Canadian life today. It seems to me that the tendency is going to be that you are going to be forced into increasing these villages.—A. I am already on record along these lines that the real solution of this thing lies in the development of this type of settlement, on an urban pattern rather than any attempt to do it on a land pattern. There is not any question about that. The sooner something is done along those lines the better I will be pleased, but as long as I am under pressure within this Act to get a little piece of land and a decent home on it there is nothing in the statute that says I should not do it.

By Mr. Kidd:

Q. Before you leave that thought, Mr. Murchison, in the last couple of days you have been more or less bringing out your own point of view about the settlement of these boys in groups of 50 to 60. In reference to Kingston do I understand that we cannot come to you and have you do anything? Do I understand that you are not going to do anything for the boys in the cities, that we cannot come to you with an application and say to the department, "This boy is a returned soldier; he has got a lot; can you help him to build a home?"—A. No, I cannot say that. He will have to go to the National Housing Act and the director of rehabilitation and use his war service credit.

Q. The National Housing Act is on the same principle as yours. It is out in the county. I have tried to summarize what you have said, and here is what I find after two or three days. You are going to build units for 50 or 60

soldiers. You do not know who is going to occupy them but you are going ahead with the building project and they will not be completed until next fall. The result is that there are soldiers today who have a piece of land and cannot get any help from you. If you could only do for them what you do in this Act for the others you would be doing something worth while, but I am quite clear that you say you cannot do anything now? —A. Not on a city lot.

Q. So you are actually doing nothing for the boy who wants to build a home in the city?

Mr. MUTCH: Not under this Act.

Mr. KIDD: I know that. I understood you mentioned a greenhouse man the other day?

The WITNESS: He is on twelve acres of ground.

By Mr. Kidd:

Q. But at the same time we are doing nothing now for the boys in the city or small town?—A. No.

Mr. KIDD: I think you should enlarge that. I think quite a number of members of the committee agree with me. Take towns like Kingston, Napanee or Gananoque or some other place where these boys want to build.

By Mr. Ross:

Q. There is authority under the Act, is there not? It is a matter of the difficulties of the controls we have today. You have authority under the Act to set up individuals as Mr. Kidd has mentioned?—A. Yes, but I have got to try to keep within the letter and spirit of the Veterans' Land Act. I simply cannot go inside the city limits and start carrying out these developments on city lots because that has not any relationship to land at all.

The CHAIRMAN: Just to bear this out there is a preamble to this Act which the director must follow. It is found on page 515. I just want to get this on the record. It recites:—

Whereas many men now serving in the active forces of Canada have recorded their desire to settle on land or engage in farming when hostilities cease, and it is desirable that suitably qualified veterans be encouraged to seek rehabilitation in the agricultural industry; and whereas part-time farming coupled with other employment is an increasingly important aspect of rural and semi-rural life in Canada; and whereas it is in the public interest as a measure of rehabilitation to assist the acquiring of ownership of farm homes by qualified veterans including certain of those persons who have had service on ships,

etc. The basis of this Act is either rural settlement or semi-rural settlement.

Mr. GREEN: Farming or part-time farming.

The CHAIRMAN: And if the director is driven very far away from that he gets into the realm of urban housing which was not contemplated under this Act at all.

Mr. GREEN: That is where he is right now.

By Mr. Mutch:

Q. Did I understand that a moment ago the director, speaking not within the terms of the Act but as to his own opinion, said that he thought that the force of conditions as they actually have arisen would make it advantageous to recognize these suburban small holdnigs as a housing proposition and divorce them from land settlement? I want to develop that.—A. No, I did not intend to convey that thought, Mr. Mutch. I think we have to recognize though that the mere pressure of the housing problem today in many of our centres is very liable to bring about a serious state of conflict with what we have done thus

far under the Veterans' Land Act. For instance, in the city of Toronto and in other cities where Wartime Housing is building congregations or groups of houses substantially for rental to veterans they are building them in colonies or villages. It is a foregone conclusion that when operations commence on a large scale under part 2 of the National Housing Act—that is the plan whereby lending institutions subscribe 10 per cent of the capital cost and the Dominion Government 90 per cent for the purpose of building low rental housing—these projects will have to be developed out on the edge of existing cities because there is not room for that type of development any longer within the settled parts of many of our cities. They must set up in the suburbs. These things are going to come in conflict with what we are doing sooner or later. It is not a situation that I feel very happy about, but it is just another of the headaches that come with the growing pains of this country.

Mr. Mutch: It seems to me that the committee generally will realize that it started out to be a subsidiary part of the Veterans' Land Act but that under pressure of housing conditions, under pressure of the very nature of the enlistments from the various provinces centering in city areas, as suggested the other day and as we all realize is the case, the small holding is threatening to become the major part of the whole scheme.

Mr. Ross: It is now.

Mr. Green: It is now.

Mr. Mutch: At the moment it is the major part. I suggest to the committee, and I think the committee agree, that it threatens to remain in that position, perhaps not in terms of money eventually, but I think it will even in terms of money. If that is the case it seems to me that we should seriously consider at some point in our deliberations on this legislation whether or not we have not tied two schemes under the one Act which are not mutually beneficial or helpful to each other. Mr. Croll mentioned that the other day. At that time my reaction to what he said was not particularly favorable but the more deeply you get into the situation, the more information we get from the director himself, it does seem to me that he is not running a business with two branches but is running two businesses. I do not know whether or not we can helpfully divide them in our considerations. At the moment we have been on the Veterans' Land Act for two or three days and actually most of our time has been devoted to the housing scheme.

I was one of those who urged on the administration the reduction of the land area to half an acre because, as I said in the committee the other day, I do not think it is feasible if a man has a full-time job to operate as an economic unit any more land than that even as an adjunct to his job. If we think in terms that a lot of these people may be unemployed again some day, which we do not anticipate but which may come, I may say that I would not like to support a \$6,000 investment with half an acre.

Mr. Quelch: You would not like half an acre to support you, you mean.

Mr. Mutch: I think I could support myself. That is on the basis of relief on half an acre, but I certainly could not pay for a house. As we are doing it in fact anyway, I think we ought to seriously consider in our deliberations the question of directing them along two pathways. I have had all kinds of people in cities. I do not think it is possible under this scheme to consider city housing, but in the houses which are being built in my constituency and in the area surrounding it I know for a fact that a large majority of these people are moving out into the suburbs for one of two reasons, a major one being that at the present moment, or for some time to come, they see no prospect of getting a house. If we recognize that fact frankly, then we will, perhaps, have to come to the conclusion that it is a separate and distinct thing and that the original regulations may not apply. The figures given by the director this

morning show that the capital cost of the housing is in most cases eating up much of the \$6,000. That does not leave very much money to provide for even the somewhat limited list of things that can be purchased under the item of equipment. When you eliminate that, it becomes, very frankly, a housing scheme. It so happens that many of these houses are being built in the suburbs. That I think is advantageous. But eventually, if you surround our cities with colonies built under this act or any other act, you will effect the same situation as has happened in every city in Canada. The corporate lines of the city will expand in circles again and again and, eventually, these houses which were built bordering on the city limits, by force of economics, will be driven within the city limits in order to get the services they demand.

Mr. GREEN: Then they will subdivide the lots.

Mr. Mutch: I do not think we will get anywhere by trying to apply farm regulations to suburban houses. It will eventually become an urban housing scheme.

Mr. GREEN: Would not Mr. Murchison get himself right out of his trouble if he stuck to the preamble of the Act and insisted that the grant be made only for farming or for part time farming? That is what the Act was intended for, and that is all you are authorized to undertake. But you are going much further than that, as you admitted this morning. You are going into housing in competition with wartime housing and the National Housing Act. Now, if you stuck to farming and to part time farming, would you not get away from all these troubles?

Mr. Murchison: But how are you going to draw the line? Where does part time farming stop, or rather where does it begin?

Mr. GREEN: But you admitted that there is no farming at all in these groups.

The Witness: Well, we have not settled it yet. They are not finished yet. Are we to say that a man who sets out four hundred or five hundred poultry on half an acre of land, out in the suburbs, is not engaged in part time farming?

Mr. GREEN: No. I think he is.

The Witness: Or another man who sets up one hundred colonies of bees on the land. I think he is.

Mr. Quelch: Do you definitely receive the assurance of these men that they are going to do that?

The Witness: We have their assurance given in good faith; but we cannot say what a man will do three years from now, whether he will cultivate that land or let it go to weeds. We cannot do that any more than we can look into a farmer's heart and tell whether he will be a good dairy man or not. It is impossible. But, as to the original concept of this small holding scheme, I visualized that there would be less than 75,000 establishments in Canada, maybe at a rate of three to every one that was established, as a full time farm, because that is something nearer to the line of demarcation between those who are qualified agriculturists and those who are veterans just wanting a piece of land with a decent home on it to live in. We also know that in times of great stress, when employment falls down that, although an acre or a half acre of land will not provide a man, in the average case, with a full and normal income; but, nevertheless, on the basis of the formula in this Act, he at least will have decent housing at a decent monthly rate that he cannot get in the city. In addition he will have the chance to raise something eatable on the land. Those are sound ideas. But I should like to develop the scheme in order to get away as quickly as possible from concentration of this type of small holding. But in doing so, as I mentioned a few moments ago, you are going to see

other situations arise around your cities where wartime housing and national housing will erect thousands of houses on thirty-five or forty foot lots that will be occupied by veterans and no one but veterans. So you will have the same results as with large concentrations of veterans on small holdings.

Mr. MUTCH: Would it be fair to say that a part of the intent of the Act was to allow veterans, those probably in a low income bracket, to enjoy a better living standard at a lower rate than would have been possible for them within a city organization?

The WITNESS: Absolutely. I think the test of that is to be found in the financial formula in this Act which brings decent housing and security within the reach of the low income earner, the man who cannot possibly participate under the National Housing Act today, under the tests of financial responsibility. When such a man applies for a loan, generally speaking, thus far, as a borrower under the National Housing Act, he is expected to have an annual income of at least fifty per cent of the total loan he wants to secure. That means, in relation to present housing costs, where the minimum cost of housing runs from \$5,000 to \$6,000, he must have an income of \$1,800 to \$2,000 or better, per year. I am convinced, Mr. Chairman and gentlemen, we are going to have thousands of veterans who will not be in that income group. You will find the majority of them somewhere between \$1,300 or maybe \$1,650 or \$1,700. Those are the people who are having the greatest difficulty today. They will find it impossible, I think, to participate under the National Housing Plan. So I say that we are creating something here that will make it possible for men in the low income group to get housing of a standard to which their type of service entitles them.

Mr. BROOKS: Mr. Murchison speaks about the low income group and other groups. There is a question I would like to ask him in that connection. When they decide, for instance, to put fifty or one hundred houses in a certain locality near a town, do they first canvass the situation in that town to find out whether industrial opportunities exist in that locality that will provide jobs for those men? I am afraid we will have a lot of these villages growing up outside of towns and cities, where, in a few years, those men are not going to have anything to do. The whole basis of the scheme is that a man must have a job to make it possible for him to live and carry on. Is any effort being made, looking to the future, to see that these men have jobs and can carry on? Are employers and other people in the towns and cities being consulted in this connection?

The WITNESS: Absolutely. It would be the worst kind of folly on our part to go ahead and build a lot of fairly expensive homes if we did not have reasonable assurance of employment for the veterans who are going to occupy them.

Mr. BROOKS: But are you sure that the man has a job before you agree to build the house and give him a lot?

The WITNESS: Yes, either that, or a reasonable assurance of employment. There are men who will participate in this scheme who are not doing just one kind of job, twelve months in the year. They will be doing certain work for three or four months and another type of work for the balance of the year and so on. But in no place in Canada where we placed any of these houses have we built them close to points of potential employment. For example, there are four hundred units going up on the perimeter of Toronto, two hundred and forty-five at Winnipeg, and one hundred at Montreal.

Mr. BROOKS: Is there any place in the application where the man is asked to state whether he has a job or the prospect of a job that will give him so much money?

The WITNESS: Absolutely.

Mr. BROOKS: There is such a place in the application?

The WITNESS: Absolutely.

The CHAIRMAN: There is one aspect of this matter which I shall mention because various members of the committee will be making representations about it: the question is, if a veteran pays up his contract, will he be able to get title? The one protection we have to-day to keep a man from applying under the Act and getting \$1,500 subsidy and then, later, turning around and selling that property is that he cannot get his title for ten years. But if you should say that he can apply under this Act and then pay up his contract and get title, then you will have everybody who does not want to pay present inflated building costs within towns or cities going to the outskirts and getting the benefit of a subsidy, paying it up, and then cashing in on it. That is the protection under this Act. A man may say: in order to get \$1,500 subsidy, I will keep a few bees and I won't worry about them if they happen to die. But the director will say to him: unless you carried out what you undertook to do for ten years, you won't get your title. The director can discourage people who do not intend to become part time farmers from coming under the Act, if he rigidly enforces the Act.

Mr. MUTCH: Isn't there one exception to that? Take the case of a man who had distinguished service and who is now in the employ of a bank. This man is building one of these houses. He is subject, at any time, to be transferred from his present location in Winnipeg to Regina, or to Halifax, or to any other place. Now he cannot complete his contract unless he abandons his family. Couldn't there be some provision whereby that man, if he is able to do so, might complete his contract or get a release or transfer his contract to the area where he goes?

The CHAIRMAN: I do not think that kind of man should enter into a contract of this sort under this Act.

Mr. MUTCH: But they do.

The CHAIRMAN: Unless there is a reasonable chance of a man remaining there for ten years and engaging in part time farming, he should not be encouraged to enter a contract of this type. Unless this Act is administered in accordance with the preamble, the pressure to turn it into a housing act is going to be irresistably greater. The director has to follow very closely the preamble of the Act, and I am very glad this discussion has taken place.

Mr. QUELCH: Mr. Chairman, I agree with your remarks. There is no question that the Act has already gone further toward the housing scheme than was originally intended, and therefore, I would very definitely oppose the inclusion of any land within city limits coming under this Act. If the committee feels that that should be done I suggest that the only thing to do is to force the whole idea of small holdings from this administration into another department. Personally, I am not in favour of that. I think we can continue as we are and let the administration try to adhere strictly to the preamble, and withstand such pressure as they can from those who want to turn this into a housing scheme.

Mr. BROOKS: I wonder if Mr. Murchison can give a definition of part time farming. I know it is a difficult thing to do.

Mr. MUTCH: Four carrots.

Mr. BROOKS: Surely that would not be the definition.

The CHAIRMAN: Gentlemen, we have a motion to adjourn, we are now past our time.

Mr. BENTLEY: I have only one question to ask and it will only take a couple of minutes to answer it. Mr. Murchison, do you have the same supervisors or superintendents attending to the part time or small holdings plan and do you have other officials dealing with agriculture?

The WITNESS: Not altogether. We are developing arrangements through the Department of Agriculture and the universities to extend the advisory service to these men on small holdings and along the lines of specialized work in horticulture, in tree and bush fruits, in poultry, and things of that sort. That sort of thing has just started, but that is the objective.

The CHAIRMAN: Gentlemen, would it be convenient to meet this afternoon at 4 o'clock and sit until 5.30?

Agreed.

The committee adjourned to meet at 4 o'clock.

AFTERNOON SESSION

The committee resumed at 4 o'clock p.m.

The CHAIRMAN: We have a quorum now, gentlemen; we will proceed. We will continue a consideration of section 2 of the proposed draft bill. Shall section 2 carry?

Mr. GREEN: Mr. Chairman, before that carries, I would like the director to tell us how many settlements are under way at the present time. By settlement I mean where there are groups of houses being put up.

Mr. MUTCH: How far do you want to go, Mr. Green; ten or more?

Mr. GREEN: Say, ten or more.

Mr. ROSS: Yes, your small holdings.

The WITNESS: I tabled a return yesterday that contained a dominion breakdown of the distribution of our 1945 construction program. I do not know whether I have a copy of it still here, but it will appear in the records of the committee. Those with ten or more—would you be interested in anything more than ten?

Mr. GREEN: You might let us have those.

The WITNESS: In the maritimes: Fredericton 10, Sackville 10, Edmunston 10, St. John 10, Moncton 20, St. Stephen 10; in Nova Scotia there are a number of 5—New Glasgow 10, Amherst 10; in Charlottetown, Prince Edward Island, 10; Montreal 100—that is divided between two or three different sites.

Mr. GREEN: Between which?

The WITNESS: Two or three different blocks of land. Cherbourg 30, Boucherville 17; Hull 40—that project in Hull is between Hull and Aylmer—Windsor 100, Niagara 25, London 100, Hamilton 100, Toronto 400, Ottawa 100, Sault Ste. Marie 30, Brantford 25, Welland 12, St. Catherines 20, New Liskeard 10, Oshawa 15, Camp Borden 10, Sudbury 10, Port Arthur 12. In the Winnipeg area, 245—that is divided among two or three different blocks of land again. Regina 25, Moose Jaw 15, Prince Albert 15, Saskatoon 25, Edmonton 120—there again there is a breakdown between different land groups—Calgary 100, that is divided into three or four groups; Lethbridge 30, Red Deer 25, Vancouver 35, New Westminster 275—now that includes all the area of Richmond up the valley as far as Chilliwack, Seeley and Mission; Kamloops 31, Vernon 20, Kelowna 30, Chilliwack 45, Mission 25—I am sorry I gave that before—Courtney 10; and on the Saanich peninsula within a radius of approximately ten miles from the city of Victoria there are 8.

Mr. GREEN: What is the total?

The WITNESS: The total of the program scheduled at the present time and under consideration is approximately 2,730 houses.

Mr. GREEN: And how many homes are being built where they are under ten altogether?

The WITNESS: That figure of course is included, smaller groups of five—10 or less—I did not read those off.

Mr. GREEN: How many homes are there which are not included?

The WITNESS: There are approximately 300 loans approved for the construction of individual units, that is apart from projects; and according to my best memory it seems to me that we purchased in the neighbourhood of 200 or 300 with buildings already erected in the units.

Mr. GREEN: So that would work out at about 85 per cent in groups?

The WITNESS: Yes, I would say that.

Mr. GREEN: My understanding of the original Act was that practically all of them would be individual homes rather than these groups.

Mr. MUTCH: There has been a pretty general discussion of that.

Mr. GREEN: Are you going to go any further with these; are there to be additional groups; because it shows so clearly that these are in direct competition with wartime housing.

Mr. MUTCH: We have been over that so much. I went over that; Mr. Ross went over that. Mr. Wright went over it. While 3,000 is a big bite out of the program under this veterans' village idea, which none of us like, and which the director does not like—he has tried to assure us I think that he has informed us two or three times, it has been due to material shortages and so on. If he is right there will be something like 75,000 of these homes required, and out of a number of that size, 3,000 is not so very much; and what has been done has been done that way because of the prevailing shortage of building materials, supplies and so on. Perhaps it is not fair to judge that this does display a tendency. I do not think any of us would like to see that crystallized into a tendency to build villages. I have in one of the urban municipalities of my riding 150 veterans who have no place to live. That indicates the urgency, that is no exaggeration. That applies to one average municipality of which I have knowledge. Urgency is the excuse for the thing. We do not like it. We must try to impress on the government and the director that we do not like it and do not want it to crystallize into a matter of fixed policy. We went all over that before. As I said, both myself, Mr. Ross, Mr. Wright and myself went over this thing, and the supervisor has had it impressed upon him that that is not desired as a matter of policy, but it is practically forced on us in view of the shortage of materials and contractors.

Mr. GREEN: In relation to these groupings, would you require some one or more of the services described as improvements; that is, sewage disposal, work for sewage disposal, the supply of water, the provision of electricity or other services—roads, draining, the cost of plans for the subdivision and other plans?

The WITNESS: Well, you would have to prepare subdivision plans of any area pretty well regardless of size if it were larger than the amount required for an individual unit. You must prepare the plan and you must register that plan, as you know, sir, before you can establish legal title. On sewage works, and every case this far we either have installed septic tanks sewage systems, or in a limited number of cases such as the case in Calgary where the city donated us the land and gave a guaranteed tax agreement for 25 years to a fixed rate of \$60 a year, there we had no difficulty hooking on to the standard sewage system at all. In any case where hydro electric power is available, naturally we want to hook up with that service, that involves the payment for installing holes and things of that sort, and it involves the cost of wiring and so on. And now, you may feel that probably this is being a little extravagant. Personally, I do not think so, because in an operation of this magnitude involving this amount of

money we at least want to be sure that we have some kind of an asset to represent that expenditure.

Mr. GREEN: And the veteran is going to have to pay for all these improvements.

The WITNESS: They pay for these properties on the basis of what is contained in the Act; that is to say, when a project is completed and the cost allocated for the various purposes and that works out say an average of \$5,500 each, including the land and all the instalations, then they are sold to the veterans on the basis of the formula contained in the Act; namely, 10 per cent down and two-thirds of the cost.

Mr. GREEN: In effect, they will be charged the cost of all these improvements, they will be included in the final cost figure?

The WITNESS: Yes. There are items such as the preparation of plans and things of that sort that we do not charge to the veteran. There are certain engineering services which cannot properly be charged against it; exploration work before we buy ourselves. It is frequently necessary to have engineering services retained on a fee basis to explore such things as the cost of securing water and other services; and these items, taken into account with the cost of the land often show that a project is unworkable and therefore we do not proceed with it. In such cases the cost of such engineering services must be borne by the administration.

Mr. QUELCH: I cannot quite understand all this criticism of the community settlement scheme. To be quite frank, I like the idea. These boys are not a bunch of foreigners, they are good Canadian citizens, the best we have, and we should have the best places we can possibly find on which they can settle, and where they can settle together. There may be some objections to the development of settlement schemes as such on the grounds of added cost or something of that kind, but in so far as the settlement itself is concerned, I believe it is a very good idea. They would have the companionship of comrades in arms. And in so far as the provincial plan is concerned in Alberta, I know very definitely the idea there is to have community settlements. You have a block of 100,000 acres to be cleared by a contractor and they are going to try farm community settlements in order to give the men the benefit of light, heat, water, etc. I think we are placing too much emphasis all together on community settlement being undesirable.

Mr. PROBE: Mr. Chairman, with respect to the proposed change in section 7, for information; the last few lines contained on page 518—are they to be deleted from that; because it was the proposal to delete these three lines; or, will they still remain in there; and will clauses (a), (b) and (c) need amplification there?

The CHAIRMAN: I do not follow you, Mr. Probe.

Mr. PROBE: If you will turn to page 518, my questions are based on those 3 lines and it is ridiculous to ask the questions if those 3 lines are going to be deleted. On page 518, section 7, there are two sub-headings, (a) and (b). Then there are 3 lines that stand out: "such lands and buildings situate in any part of Canada and such other property including building materials, live stock, farm equipment and commercial fishing equipment as the directors may deem necessary."

The CHAIRMAN: This proposed section is 7A. It will be added to that. That is section 7 you are reading from and the proposed section will be 7A. It is a brand new section to be added to the bill.

Mr. PROBE: I understand. The questions that I have to ask are in connection with section 7 but do not deal with buildings and improvements only. May I ask these questions at this moment?

The CHAIRMAN: I suppose so, yes.

By Mr. Probe:

Q. The director made mention of the fact that in his acquisition of materials for building—and I presume that has reference to all supplies that he may require—he preferred to deal with the regularly established trades to secure those supplies. We discussed that yesterday. I should like to ask if the director has been able to secure all the building materials and other types of supplies—whether it be equipment for farming or live stock and so on,—which he has desired to purchase.—A. Under the heading of building materials, of course, we have quite a wide range of items. The backbone of that problem, so far as lumber is concerned, was solved by arrangements entered into in 1944 for frame and sheeting lumber. We have had some temporary delays in connection with such items as plumbing fixtures, roofing, and interior finish, but the delays have not been serious. Those are all items of building materials in very tight supply. I want to assure the committee that those in control of the distribution of these scarce materials have been very fair with us. We have had, I say, a few minor delays; but on representations being made to the appropriate controls, we have been given access to what we need if it is available in the country.

Under the heading of farm machinery, there again we have had no difficulty at all, because two years ago in the knowledge of the serious shortage of farming machinery in Canada, government accepted my recommendation and authorized us at that time to enter into agreements with the manufacturers of Canadian farm machinery for the production and ear-marking of \$7,000,000 worth of farm machinery, so that we would have stocks on hand when settlement operations commenced. Probably we were a little early in our estimates. The war did not finish just as soon as we thought it would. But we were at least in a safe position so far as machinery supplies are concerned. As a matter of fact, we were on a long side of the situation. But the agreement we had with the various companies made provision that we could release back to the companies from time to time the machinery that we did not require, and when that happened, of course, we were not called upon to pay for it. In the interim period we have made substantial cut-backs to the machinery companies, and on the understanding that that machinery would be used as far as it was required by giving priority to the veterans who required machinery but who were not being established under the Veterans' Land Act. You will understand there were quite a number of veterans who served but who did not have the required service to qualify under the Act as veterans, but they do require machinery to resume their farming operations. So the situation today, so far as farm machinery is concerned, is that we have met all our own requirements. We have, we believe, sufficient stocks on hand to meet our commitments until the 1946 production year commences.

By Mr. Ross:

Q. May I ask a question there? Does that priority still exist for farm implements for the man who does not want to come under the Veteran's Land Act? Is that in existence today?—A. We are prepared to give him a certificate to give him access to such machinery as the rationing officer has available for distribution.

Q. I have several applicants whom the implement companies have informed that such priority does not exist today.—A. Well, we have set up the procedure with the companies several months ago, so that we may furnish the veteran concerned with an identification paper which he can surrender to the company and by that means get access to whatever machinery the rationing officer has available for distribution.

Q. That could be obtained from your local board in the district?—A. Yes.

By the Chairman:

Q. Does he get any discount on that machinery?—A. If he pays cash for it, I believe he gets a 10 per cent discount.

By Mr. Wright:

Q. Has your department any priority on the surplus war materials; that is, those that are declared surplus by the various departments, before they are turned over to the War Assets Corporation?—A. None.

Mr. WRIGHT: I should like to make a suggestion. I believe you should have. There are a lot of these materials,—especially tools, trucks and certain other types of equipment,—that can be used by the soldiers on the farms. It seems to me that the priorities as they are listed,—that when any service department declares any equipment surplus, the two other service departments have the first choice and if they do not want it, then I believe the provincial government is next, and there are certain other priorities, and then it goes to the War Assets Corporation—do not go far enough. It seems to me it would be of very great assistance to the men settling under this Act if your department had some priority in obtaining some of that material for them, so that it would go from the department, through your organization, directly to the veteran without his having to pay additional distribution cost through the wholesale or retail dealer. It seems to me that would be a reasonable way of making this equipment available.

Hon. Mr. MACKENZIE: I may say to my friend that I took that question up with the Minister of Reconstruction who is in charge of war assets. I have not the files here at the moment but I will look them up in the next day or two.

Mr. ROSS: Would the minister be prepared to look into that? I had two chaps come in to see me at noon today. One of them wanted to buy a light delivery wagon or something. He has a small poultry farm of his own now and he is also attending university. There were two of them in to see me. They went to the war assets officials in Toronto, and they cited them the service departments first, the federal government, the provincial government, the municipal officials and then all civilians. They had no prior claim at all, and I think they should be given some priority.

Hon. Mr. MACKENZIE: I am quite in accord with the suggestion of both honourable gentlemen.

Mr. WRIGHT: My suggestion was to get these things to them as directly as possible, with as few commissions paid as possible, so that the soldier would get them at a reasonable cost.

The CHAIRMAN: Do you wish to speak, Mr. Jutras?

Mr. JUTRAS: I was just going to clear up what Mr. Quelch said. Speaking for myself, when I spoke against the settlement of soldiers in these project units, I was not in any way opposing the veterans settling together if they wished to. My objection was that if we go ahead and build up a project of, let us say, 10 or 20 homes, then the veterans have to settle together; they have no alternative. We are more or less forcing them into it. That was my objection.

Mr. QUELCH: They will not object will they?

By Mr. Probe:

Q. I should like to continue along the line I was speaking a few minutes ago. Is the director prepared to say that his department could greatly extend the rapidity with which men are being re-established either on small holdings or on farms if he had his hands on a considerably expanded source of building and other supplies? If the physical factors involved in building homes were solved for you automatically, or some other way, would not that increase the speed with which your department could re-establish veterans? In other words,

is that physical defect of building materials the hold-up or bottleneck at the moment with respect to re-establishment which, I think, you yourself admit?—A. There has doubtless been a scarcity of essential building supplies up to the present time. But there is reason to feel that, within the reasonably near future, the supply situation will move toward a more normal position. The question of ear-marking or granting priority to the director of Veterans' Land Act for his operations, of course, has been taken into account along with all other building requirements throughout the country. Wartime housing is functioning in a broad field now that requires access to a lot of building material. We could not very well proceed on the basis of saying that the Veterans' Land Act and Wartime Housing and a few projects of that kind should be placed in a position of practically cornering all the essential building material in the country. I think it would be quite impracticable to try to control these things through priority offices. After all, we must keep in mind, in considering these things, that private enterprise through standard regularized building is supplying a very wide field of employment which is very important. The point also has to be considered as to the amount of available skilled labour. There is a serious shortage throughout the dominion of skilled mechanics, and thus far there does not seem to be any wide area of interest on the part of veterans to go into the building trades such as carpentering, bricklaying, plastering, painting, electrician work and so on. That is one of the reasons why costs of construction during these past two or three years have been excessive. We are having to pay not only for shortage of labour but for the inefficiency of labour as well. Until that man power situation eases considerably, or improves, I do not think it would be wise for the administration of the Veterans' Land Act to attempt, say next year, to build more than double the number of homes that are contemplated for this year. I can assure the committee that the construction programme that we have already under way is giving a good deal of administrative headache, one way or the other, until the whole picture shows a nearer approach to the normal field. That is, if we attempted to schedule something too large in 1946, we would be actually faced with many disappointments.

Hon. Mr. MACKENZIE: Would you allow me to make two points, because I must leave to go to another meeting. First, I would like to confirm what Mr. Murchison has said not only with regard to land settlement but also with regard to the ordinary work of the department. Work on our hospitals and other buildings has been made difficult because of the shortage of qualified labour. My second point is: I wonder if the committee have considered, in regard to this Act, making quite sure that members of parliament would be qualified to accept the benefits of the Veterans' Land Act without infringing upon their rights as outlined in the Independence of Parliament Act? If that has not been considered, I think a section should be placed in this particular bill making that very clear. We discussed the question at one of the cabinet meetings the other day, and that was the recommendation we came to.

Mr. Ross: Is there anything to prevent a member of parliament from selling a parcel of land or a portion of his land to a member of the Board?

Hon. Mr. MACKENZIE: Yes, there is. I took that point up with the Department of Justice. A member of parliament wished to sell his land to a son or relative. I was very careful to see that his rights were not imperiled as a member of parliament, so I got the opinion of Mr. Varcoe who said that while it was not unmistakably sure, it was rather a perilous undertaking. So I warn any member of parliament who is not a veteran himself, not to sell any land or to accept any benefits from the Crown under this Act. There should be a specific section put into this Act to cover that point.

Mr. CROLL: Would that not require an amendment to the Senate and House of Commons Act?

Hon. Mr. MACKENZIE: No. The opinion the other day was that we should amend this specific Act to give these rights.

Mr. QUELCH: We did it with respect to the Prairie Farms Act.

Hon. Mr. MACKENZIE: Yes.

The CHAIRMAN: The Department of Justice is of the opinion that it is all right to accept if you are a veteran; it is all right to accept these things from the Crown so long as no contract is involved. The only case where a contract is involved is with respect to insurance and the Veterans' Land Act. My own feeling about the matter is that, with all deference to the Department of Justice, I doubt whether they are right. The whole purpose of the Independence of Parliament Act was that people who were members couldn't accept little donations from the Crown in order that they should be good boys.

Hon. Mr. MACKENZIE: That point brings up the suggestion of by-elections.

The CHAIRMAN: And, if these are all payments and assistances and so on from the Crown to members of parliament, unless you definitely provide that anything given to a man because of his being a veteran shall not be considered and infringement of Independence of Parliament Act; in my humble opinion, any person who accepts things like that is infringing on one of the oldest rules affecting members of parliament. I think it strange that the Department of Justice does not agree with me. My feeling about it is this: we have put it in the Independence of Parliament Act. We did so in 1915. Of course, we did not do it but our ancestors did. Money paid to a man who served, or allowances made in respect of a man who was serving in the armed forces should not affect his position as a member of parliament. I think, myself, the very fact that it was found necessary to pass that indicates that those people in those days agreed with my present view that, in some way, they were endangered. And if that is the case, my own feeling is that we should extend that section to make it abundantly plain that our position is not endangered in respect to any payments made to us not only while we are serving, but in respect to all our services. While I notice that the Act stops on the point "while serving", I personally am afraid to accept anything myself. The Department of Justice won't give you any binding assurance that if you do take it you won't be unseated. They just give the opinion that they think it is safe.

Mr. PROBE: Some members are not now cashing any gratuity cheques.

The CHAIRMAN: I think we should clear that up beyond any question and we should try to do so at this session.

Mr. ADAMSON: Couldn't we pass an amendment or clause in this Act, that, notwithstanding anything in the Independence of Parliament Act?

The CHAIRMAN: We have an amendment ready. It raises the question of veterans accepting different payments under benefits and accepting any other benefits conferred on veterans. I think it would be a good thing to put that in this Act when dealing with it.

Mr. ADAMSON: Yes, a simple amendment would do it.

The CHAIRMAN: I have in mind the case of a veteran who is a member of parliament. This man is afraid to draw his re-establishment credit. The Department of Justice has ruled that, in their opinion, it is safe to accept it. I take this attitude: that if that is as far as they are willing to go, then the members of parliament should make the thing absolutely clear, because I think it is the will of the people of Canada that anybody who served shall get these benefits even if he is a member of parliament. However, that is a matter for the committee to decide. I hope it will be possible to make a recommendation on it at this session. I might say that I think the solicitor is inclined to agree

with the Department of Justice. I do not know about that. Would you like to add something on that?

Mr. GUNN: No, I do not think I can add anything to what you have already said. Undoubtedly there may be doubt, and in the abundance of caution I think perhaps the Senate and House of Commons Act might be amended to take care of the whole situation.

By Mr. Probe:

Q. I should like to go back to section 7. I want to ask one final question. Mr. Murchison has indicated that, as a matter of fact, he supports what the Minister of Finance said the other day with respect to housing generally that our problem is a physical one, that of building materials plus building personnel. I should like to ask this final question. Have veterans been prevented from taking small holdings because supplies were not available to the director in certain districts where veterans may have wished to establish themselves? I mean specifically in certain districts rather than generally available?—A. I do not think there is any doubt about that.

Q. That is, you have had to turn them down for that reason alone?—A. We have been unable to proceed with their establishment.

For instance, in many parts of western Canada in the smaller towns such as Wingard, Canora, Watrous, Unity or places of that sort the line lumber yards have not had supplies of lumber on hand adequate to meet their legitimate needs. In our operations it has been very difficult to arrange for sufficiently wide distribution of our materials to permit of very much progress in establishing new homes on small holdings in the smaller centres. That is one of the big problems confronting the administration and the retail lumber trade right now, to discover ways and means to channel supplies to these smaller centres so that veterans may be able to secure their lumber requirements.

That goes also for the boys who are being established as farmers. We have bought considerable land on which there are no habitable buildings at the present time. There is nothing wrong with the land. The land is good, but building cannot proceed there until the lumber situation improves. We are hopeful of being able to work out arrangements with the line lumber yards of western Canada and other parts of the country to make these supplies available as soon as possible.

By Mr. Brooks:

Q. There is one further question I wanted to ask regarding delay. I understood from the director that the chief cause of delay was physical, that is, obtaining supplies and qualified men to do the work. I think the other day he said there was also some delay in the registry offices of the different counties and ridings, and that the legal work took considerable time. I should like to ask him whether in the different districts the department employs just one particular firm of lawyers, or one lawyer, or do they allow a man to choose his own lawyer to search the title and prepare agreements?—A. Our service under that heading, of course, must follow the local practice of real estate transactions. In western Canada, for instance, we have the Torrens title system. We have a solicitor on our staff at Saskatoon who conducts his business with the local registry offices, and with the solicitors representing the vendors. It is a very simple land title system compared to that which we have in eastern Canada. In Quebec, of course, we must follow the practice there of working through the local notary public. These notary public are appointed by the Department of Justice in each county, and it is through these notary publics that our firm of solicitors in Montreal must communicate in the completion of a purchase transaction.

In New Brunswick we have local solicitors appointed by the Department of Justice to work with our central solicitor in Saint John. That is the depart-

ment side of the thing. Vendors must also employ their own solicitors to represent them. I do not know whether I have made it very clear but certainly there has been some delay chargeable to the handling of a transaction after approval has been given to purchase. A goodly part of that delay results from congestion in many of the land registry offices. We made a test on that in Saskatchewan a short time ago, for instance, and found that the average delay in the land title offices was 21 days after the documents were submitted to the registry office for registration. That arose entirely through congestion in these offices. There is a very large volume of land transactions going on, and these things must be dealt with as they are received by the registrar.

We have had difficulty in British Columbia where there has been a great deal of congestion in the office of the registrar at New Westminster because he is short of staff. I think the provincial governments concerned are endeavouring to fill the staff shortages by employing veterans. In the meantime, as I say, we have had some delay.

Q. May I ask why you have to wait 21 days? Is it not a fact when the document is sent to the registry office it is filed? The date, the time, and so on are put on it?—A. No, there must be a new title issued under the Torrens system by the registrar.

Q. That is a different system?—A. You send the documents to the land titles office. The transfer deal is completed and it goes to the land registry office. Before that takes effect there must be a new duplicate certificate of title issued.

Q. We have a different system in New Brunswick.—A. There has also been some considerable delay arise from the amount of work that the vendors' solicitors have on hand. Lawyers today are generally found to be pretty busy men. I think there is a tendency here and there for some of the solicitors representing vendors to take a little bit too much time to do their business. We have had some rather serious delays in the maritimes due to representatives appointed by the Department of Justice not paying sufficient attention to our business. These cases have been brought to the notice of the Department of Justice with a request for a change in the appointment or the appointment of some additional representative.

Q. That is just my point. I think under the present system the work goes to one particular lawyer in a certain area. He has to search titles and do all the legal work. I might say it is a system of patronage. That is really what it is. It would seem to me if the work was farmed out to a few more lawyers and a few more offices you would not have so much delay.

The CHAIRMAN: You are not objecting to the patronage part of it: you want action?

Mr. BROOKS: I do not get any at all, but I have heard some complaints.

By Mr. Wright:

Q. Mr. Murchison mentioned a few minutes ago that his department had acquired certain amounts of machinery which were surplus to their needs this year. I think they are to be commended for having looked ahead. Although they had a surplus and had to get rid of it it was better than not having enough, but I do think that some of that equipment is not exactly suitable. I refer particularly to the small type of tractors which they have purchased or made agreements to purchase from the machinery companies, and I know that in a great many cases in the west the veterans who want to settle under the Act are going to farm other land than just the land which they may be purchasing from the board and will want to purchase larger equipment. The question I want to ask Mr. Murchison is: Is that veteran, through any regulations in the department, restricted as to the size of the equipment that he may use his \$1,200 to purchase, or can he purchase any type of equipment which suits

his particular condition?—A. There is no restriction at all, sir. In deciding on various makes and sizes and types of machinery we had to proceed on a rather arbitrary basis, keeping in mind that we were, so far as the statute is concerned, operating on a \$1,200 ceiling, and also bearing in mind that tractors were pretty hard to get no matter what kind they are at that particular period. We are not having any serious difficulty getting rid of them. Certainly when we get into more normal settlement operation I shall be very glad indeed to see \$1,200 of dominion government funds going into the purchase of a \$1,600 tractor with the veteran putting up the balance himself. There is no objection to that at all.

MR. QUELCH: In the past and in the present your pool of machinery has not included large sized tractors, and I am quite relieved that in the future there will no longer be a difficulty, because the machine companies are very fair in giving priorities to veterans, and they can get the large tractors without obtaining them from the pool.

MR. ROSS: I would like to ask Mr. Murchison a question. There is nothing under your administration to prevent two or three persons in partnership from purchasing big machinery—they get the assistance of \$1,200 apiece. Supposing two brothers are going to purchase land in the same community, could they pool their funds to purchase fairly big equipment?

THE WITNESS: I am afraid not. The only place where joint purchase is authorized under the Act is under the head of commercial fishing equipment where not more than two veterans may pool their grants for the purpose of purchasing commercial fishing equipment. I think that where two veterans are willing to co-operate along the lines you have suggested that in the average case it would probably require more than \$2,400 worth of machinery to do the work of both of them, and I think by arrangement between them and ourselves that if one veteran buys a one-way and the other man buys a tractor, we then let them work out the balance of the details themselves.

By Mr. Bentley:

Q. What process of reasoning was used to arrive at the conclusion that \$1,200 would buy sufficient equipment to operate an economic farm unit? —A. There wasn't any process of reasoning at all that it was sufficient—

Q. That is exactly what I expected.—A. There was no process of reasoning based on \$1,200 being sufficient; it was based purely on the proposition that the state is prepared to supply up to \$1,200 of equipment free, gratis, if the veteran complies with the terms of his land agreement.

THE CHAIRMAN: May section 2 carry?

(Carried.)

THE CHAIRMAN: Section 3 provides for legal enactment covering the increase in the limit that may be paid for land from \$3,600 to \$6,000, and necessary amendments in regard to the amount that may be spent in regard to machinery. It reads:

3. Section nine of the said Act is repealed and the following substituted therefor:

"9. (1) Subject to the provisions of this Act and the *regulations* made thereunder, the Director may contract with a veteran certified by him to be qualified to participate in the benefits of this Act for the sale to such veteran of land and improvements thereon, building materials, live stock and farm equipment up to a total cost to the Director of *six* thousand dollars, but subject to the following conditions:

(a) that the cost to the Director of the land, improvements and building materials shall not exceed *six* thousand dollars;

- (b) that the veteran has paid to the Director ten per centum of such cost and the entire cost price of land, improvements and building materials in excess of *six thousand dollars*;
- (c) that the cost to the Director of the live stock and farm equipment shall not exceed twelve hundred dollars *or the amount by which six thousand dollars exceeds the cost to the Director of the land improvements and building materials, whichever is less*;
- (d) that the sale price to a veteran of land, improvements, building materials, live stock and farm equipment shall be, in addition to any sum paid by the veteran before contract made, a sum equal to two-thirds of the cost to the Director of the land, improvements and building materials;
- (e) that the interest rate payable by a veteran shall be three and one-half per centum per annum;
- (f) that the balance of the purchase price payable by a veteran may be extended over a term not in excess of twenty-five years with interest at the rate aforesaid on the amortization plan;
- (g) that at the discretion of the Director terms of payment by a veteran may be varied to provide for payment of interest charges only for a period of five years first following the date of sale or for annual or semi-annual or monthly payments of principal and interest provided that a maximum repayment period of twenty-five years is not exceeded;
- (h) that save upon payment in full to the Director of the total outstanding cost to the Director of the land, improvements, live stock and farm equipment together with interest at the said rate on the said outstanding cost and all other charges owing by the veteran in respect thereof, no sale, assignment, or other disposition of the subject-matter of a contract between a veteran and the Director shall be made by the veteran, nor shall a conveyance or transfer be given by the Director to a veteran, during a period of ten years following the date of the relative contract and thereafter only if the veteran has complied with the terms of his agreement for the said ten-year period.

(2) Subject to the provisions of this Act and the regulations made thereunder, the Director may contract with a veteran certified by him to be qualified to participate in the benefits of this Act for the sale to such veteran of land and improvements thereon, building materials and commercial fishing equipment up to a total cost to the Director of *six thousand dollars* subject to the same conditions set forth in subsection one of this section with the words 'commercial fishing equipment' substituted for the words 'live stock and farm equipment' wherever they occur therein."

Mr. WRIGHT: This section raises the point brought up by Mr. Quelch the other day with respect to whether that \$1,200, when it is used for the purchase of land, should not be a grant the same as when it is used for the purchase of equipment. Under the present Act, as it now stands, if a veteran uses that \$1,200 in addition to the \$4,800 which he uses for the purchase of his land, he only receives 30 per cent of it, the same as he receives 30 per cent of the \$4,800 less his cash payment, which places him in the position of losing some \$900 as compared to the veteran who uses it for the purchase of machinery. It seems we should have some amendment here which would place them all on the same footing. I do not see any objection myself to doing that. I am wondering if the director has any objection.

The WITNESS: I do not know that I have any objection, but in actual practice this is the way it works out: if you wanted to standardize the grants, you would find in the establishment of small holdings that are costing \$6,000 that the state would be absorbing \$2,320 as the amendment stands and in practical operation. Where the cost of land and buildings runs to \$6,000 the amount absorbed by the state is \$1,400. Now, I do not know whether the committee would care to go that far and say that the man who was getting a small holding with a great many of the amenities that do not go with a purely rural life at all should be given a grant equivalent to the man who goes out in the country. I think the only way you could arrive at any formula such as I sense is in the mind of Mr. Wright would be to divide the Act into two parts and provide a separate system of financing the small holdings—that is compared to what it would be on agricultural holdings. There again, as I mentioned this morning, it is pretty hard to decide dogmatically where part-time farming starts and where full-time farming begins.

Mr. WRIGHT: I may point out that we are already granting to anyone settling on provincial lands in the provinces a flat grant of \$2,320. You have gone that far in standardizing the amount, and the same is true in the Indian reservations. I cannot see why it should not apply to all full-time farming operations at least. I have no objection to it applying to all operations, but I certainly think it should apply to all full-time operations.

Mr. QUELCH: This is the point I raised the other day, and Mr. Murchison seemed to think I objected to the raising of the ceiling. I am not objecting to the raising of the ceiling at all. This section provides for raising the ceiling from \$4,800 to \$6,000. In other words, the \$1,200 is at present allowed them for stock and equipment and can now be utilized for the purchase of land. I have no objection, but as Mr. Wright said, the thing I object to is that if he now uses the \$1,200, which is at present the grant, for the purchase of land it no longer becomes a grant, but two-thirds of that \$1,200 has to be repaid back to the department, and in addition to that when you raise the ceiling from \$4,800 to \$6,000, instead of him having to pay the 10 per cent of \$4,800, which would be \$480, he will then have to pay \$600. So you are reducing the amount of his grant by \$920. You are at present absorbing \$2,320 if the soldier uses \$4,800 for land and \$1,200 for stock and equipment. Therefore, why should the department object to absorbing \$2,300 odd for the same amount of money that is used by the department for the purchase of land rather than for the purchase of land and stock and equipment? I cannot see that it makes any difference. The \$920 is a very heavy penalty.

The CHAIRMAN: As a matter of fact, is this not correct, Mr. Murchison: in the case of a farmer, we will assume that he wants to put in his own \$6,000 for land; he would have to have equipment before you would qualify him. Would you not make some arrangement with him that he would sell part of his equipment to you and then buy it back again in order to get that \$1,200 grant?

The WITNESS: We do not like to do those things, sir.

The CHAIRMAN: Then, would you have the authority—unless you have some practical way of getting around it. There must be some reason for it. Why should you treat a man who has equipment and wants to put \$6,000 into land so much worse than the man who wants to buy both land and equipment? I am bound to say that I would like to have an explanation of that; unless there is some practical way around it, to treat both the same. It seems strange to me.

The WITNESS: I do not like to become argumentive, Mr. Chairman and gentlemen. I want to be perfectly frank with you and the committee. I readily concede that these changes that took place in this order in council were

necessitated last spring in the light of the knowledge that we could not carry out our building program on small holdings with the \$4,800 ceiling for land and buildings. It was just out of the question because the cost of construction had gone up to a point where minimum standard housing could not be realized in addition to the cost of the land within the ceiling of \$4,800.

The CHAIRMAN: Of course, Mr. Murchison, we can very easily say that anything that has to do with what you have in mind shall not apply to small holdings. But I am just dealing with the case of the farmer who comes to you and says that he has the equipment and he wants to buy this \$6,000 farm; and in that case he gets much less out of it when he comes around and says, I want the \$6,000 for the land, I have the equipment—leaving aside small holdings, we could cover that by special provision saying that it does not apply to that—but as to these farm prices, there must be some reason for that.

The WITNESS: I think your answer lies in this, that the veterans as a class are pretty intelligent men; and any man who is possessed of some stock and equipment and he reads this section of the Act and he wants to acquire a \$6,000 farm, he contrives in some fashion to have \$1,200 in cash to pay down in respect of the land so he gets \$1,200 stock and equipment.

The CHAIRMAN: That then is the answer.

The WITNESS: I think if you will leave it at that, gentlemen, these things would work themselves out.

The CHAIRMAN: I wanted the committee to have that so that we would not have it argued in the House.

Mr. Ross: They will probably have that anyway.

(Discussion continued off the record.)

The CHAIRMAN: Shall clause 3 carry?

(Carried.)

We will adjourn until Monday at 11 o'clock p.m.

APPENDIX "A"

P.C. 6938

AT THE GOVERNMENT HOUSE AT OTTAWA

THURSDAY, the 15th day of NOVEMBER, 1945.

PRESENT:

His EXCELLENCY

THE ADMINISTRATOR IN COUNCIL:

Whereas the Minister of Veterans Affairs represents that during the present war approximately 300 nurses were engaged in Canada by or with the approval of the Government of South Africa for professional services in South Africa and thereby became members of an organization known as the South African Military Nursing Services;

That the South African Military Nursing Services was not, at any time pertinent to the foregoing, a military establishment in the sense that the members thereof were members of His Majesty's armed forces;

That it has been represented that the nurses aforesaid believed that on joining the South African Military Nursing Services they became members of His Majesty's forces on active service, and by reason thereof entitled to all re-establishment benefits available to Canadians who served in His Majesty's forces other than Canadian forces;

That while the benefits which these Canadian nurses may be entitled to receive from the Government of South Africa have not yet been fully ascertained, information has been obtained that members of the South African Military Nursing Services are entitled to receive the following:—

- (a) £30 on clothing allowance
- (b) Gratuity at the rate of 15/- per month for every month of service
- (c) On release, and on application, an immediate grant up to £50 may be given if necessary for reinstatement.
- (d) Application for further financial assistance may be made and, depending on the merits of each individual case, a maximum grant of £250, or a maximum loan of £1,250, may be made;

and

That the said nurses ought, in justice, to be considered to have been members of His Majesty's forces other than Canadian in order that they may receive re-establishment benefits available under Canadian law to persons domiciled in Canada who have so served.

Now, therefore, His Excellency the Administrator in Council, on the recommendation of the Minister of Veterans Affairs, and under and by virtue of the War Measures Act, is pleased to make and doth hereby make the following order,—

ORDER

1. This Order may be cited as The South African Nursing Services (Benefits) Order.
2. Every person domiciled and resident in Canada who served as a member of The South African Military Nursing Services in any place outside of Canada and who, at the time that such person became a member of such organization,

was domiciled and resident in Canada, shall, on termination of such service be deemed to have served on active service in His Majesty's forces other than Canadian forces and, by reason of such service, entitled to all benefits, rights and privileges available under the following Acts and Orders and subject to all conditions as are in such Acts and Orders contained:—

The Department of Veterans Affairs Act,
The War Service Grants Act, 1944,
The Veterans Insurance Act,
The Veterans' Land Act, 1942,
The War Veterans' Allowance Act,
The Reinstatement in Civil Employment Act, 1942,
Pension Act,
Civil Service Act,
The Post-Discharge Re-Establishment Order and
Veterans' Dual Service Pension Order.

3. There shall be deducted from any pecuniary benefit authorized hereunder the amount of any pecuniary benefit of the same nature received by or available to or in respect of any such person from the Government of South Africa and arising out of service in The South African Military Nursing Services.

4. This Order shall be administered by the Minister of Veterans Affairs who is hereby authorized to make such rules and regulations, subject to the approval of the Governor in Council, as may be necessary or advisable to give effect to the provisions of this Order according to their true spirit and intent and for that purpose to supplement such provisions.

5. Expenditures required to be made under and by virtue of this Order may be charged to War Appropriation for the current fiscal year and thereafter to moneys voted by Parliament for the purpose.

(Sgd.) A. D. P. HEENEY,
Clerk of the Privy Council.

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SESSION 1945
HOUSE OF COMMONS

(SPECIAL COMMITTEE)

(ON)

(VETERANS AFFAIRS)

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 21

MONDAY, NOVEMBER 19, 1945

WITNESSES:

Mr. W. A. Woods, Deputy Minister of Veterans Affairs;

Mr. G. Murchison, Director, Soldier Settlement and Veterans' Land Act.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1945



ORDER OF REFERENCE

HOUSE OF COMMONS,
FRIDAY, 16th November, 1945.

Ordered,—That the quorum of the said Committee be reduced from 20 to 15.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

MINUTES OF PROCEEDINGS

MONDAY, November 19, 1945.

The Special Committee on Veterans Affairs met this day at 11.00 o'clock a.m., the chairman, Mr. W. A. Tucker, Presiding.

Members present:—Messrs. Adamson, Ashby, Baker, Belzile, Benidickson, Bentley, Blair, Brooks, Cleaver, Cockeram, Cruickshank, Dion (*Lake St. John-Roberval*), Drope, Emmerson, Gillis, Green, Herridge, Isnor, Jutras, Kidd, Lennard, Marshall, Mackenzie, MacNaught, McKay, Pearkes, Probe, Quelch, Ross (*Souris*), Tucker, Winters, Wright.

In attendance: Mr. G. Murchison, director, Soldier Settlement and Veterans' Land Act; Mr. W. S. Woods, Deputy Minister of Veterans Affairs.

Consideration of the proposed draft bill to amend The Veterans' Land Act, 1942, was resumed, and Messrs. Murchison and Woods were heard thereon.

Mr. Mackenzie announced that the Prime Minister of Great Britain was to lay a wreath on the war memorial at 12.50 p.m., and it was agreed that the Committee adjourn to enable the members to attend the ceremony.

At 12.35 o'clock p.m., the Committee adjourned until Tuesday, November 20, at 10.30 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

November 19, 1945.

The Special Committee on Veterans Affairs met this day at 11 a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Our first item this morning is clause 4 enacting section 13 of the Act providing for an amendment under which the ceiling limit has been raised to the amount that may be loaned; from \$3,200 it was raised to \$4,800 and later raised to \$6,000. It is to raise that limit. Clause 4 reads:—

4. Section thirteen of the said Act is repealed and the following substituted therefor:—

13. The Director may make advances to a veteran certified by him to be qualified to participate in the benefits of this Act to enable the discharge of encumbrances on farm land that is owned and used by the veteran as such, for the purchase of livestock and farm equipment and for the effecting of permanent improvements, of amounts not exceeding in the aggregate the sum of four thousand four hundred dollars, but subject to the following conditions:—

- (a) advances for all purposes shall not exceed sixty per centum of the value of the land as established by the Director;
- (b) advances for the purchase of livestock and farm equipment shall not exceed fifty centum of the value of the land, and shall not exceed a total of two thousand five hundred dollars, and all such purchases may be subject to the approval of the Director;
- (c) such advances shall constitute a first charge on the land of the veteran with respect to which the advance is made and repayment thereof shall be secured by a first mortgage or hypothec upon such land;
- (d) the terms of repayment may be extended over a period of twenty-five years with interest at the rate of three and one-half per centum per annum on the amortization plan;
- (e) at the discretion of the Director terms of repayment may be varied to provide for payment of interest charges only for a period not in excess of five years first following the date the advances are made, or for annual or semi-annual or monthly instalments of principal and interest provided the maximum repayment period of twenty-five years is not exceeded;
- (f) repayment in full of advances made under this section may be made at any time without notice or payment of bonus.

Mr. WINTERS: Before we get to 4, Mr. Chairman, I wonder if I might go back to item 3 and ask a question there? Would I be in order?

The CHAIRMAN: Yes.

Mr. WINTERS: It is regarding fishing. In Section 3, clause 9, it says, "The director may contract with any veteran certified by him to be qualified to participate in the benefits of this Act for the sale to such veteran of land and improvements thereon, building materials, live stock and farm equipment up

to a total cost to the director of \$6,000." Then on the next page, under subsection (2), dealing with fishermen, I think it says that the same applies to fishermen except that the words "commercial fishing equipment" shall be substituted for the words "live stock and farm equipment". My question is, does the fisherman have to buy a half acre of land as well to become eligible under that, in order to get the grant for a fisherman?

The CHAIRMAN: I will ask Mr. Murchison to answer that.

Mr. G. MURCHISON, Director, Soldiers' Settlement and Veterans' Land Act recalled:

The WITNESS: Thus far we have endeavoured to keep it above half an acre. I am very glad this question has been asked because it presents many practical difficulties in the very areas where commercial fishing should be encouraged.

By Mr. Winters:

Q. That is right.—A. There are areas on the Pacific coast which are very handy to the most profitable fishing grounds where land itself is at a very distinct premium, that is, so far as agricultural land is concerned. I think the indications at the present time are that if we are going to give proper expression to the idea of assisting veterans to become established in the fishing industry, we will have to pay more attention to the attractiveness of the fishing industry than to the agricultural aspects of a small holding. That is also very true around the coast of the maritime provinces. There we have many hundreds of small fishing villages, small communities, varying from 50 to 100 or maybe a little larger than that, where land is decidedly limited. There is plenty of geography, a lot of it on the perpendicular, but it is where the fishing industry is most profitable. It is going to be quite impossible, I think, to assist any large number of veterans around those shores if we stick too rigidly to the idea of a half acre or an acre or five acres of agricultural land.

Q. Quite true.—A. I think we should, however, stick to the principle that the home should be so located that the fisherman's family have access to reasonable standards of social services.

Q. Yes. In many cases, of course, the land in those areas is so rocky that it is no good at all.—A. Those are practical difficulties that I recognize. I spent considerable time this past summer reviewing, on the ground, quite a number of situations of that kind; and as I say, if we are to give reasonable play to the idea of assisting a commercial fisherman, in order to do that I think we will have to modify our regulations so far as agricultural land is concerned.

Q. Thank you very much.

By the Chairman:

Q. Would that require an amendment to the Act?—A. No. It would not require any amendment, because there are no statutory restrictions in the Act as to how much land it shall be.

By Hon. Mr. Mackenzie:

Q. Would that be at all comparable with the agreements with the provinces, the special arrangements for crown-granted land?—A. No. I do not think so. I believe that both the agreement with the provinces and section 9 also contain the statutory provisions to assist the veteran who is qualified to be established as a commercial fisherman.

Q. I thought in those agreements we did depart from the fundamental basis of the original provision. Did we not do that?—A. I do not think we departed from the fundamental idea. We merely set up a procedure whereby the amount up to \$2,320 could be used for a variety of purposes.

Q. That is my point exactly.

The CHAIRMAN: Is that satisfactory?

Mr. WRIGHT: On Friday I raised the matter of making surplus equipment of the armed services available to the director for settlers under the act. The minister stated at that time that the matter was under consideration and he would give us some further information with respect to it on Monday. I wonder if he could give that information now with respect to the question I raised.

Hon. Mr. MACKENZIE: I am sorry, no. I have been so rushed that I have not that correspondence here, but I will get it for the next meeting of the committee definitely.

Mr. WRIGHT: Thank you.

By Mr. Ashby:

Q. Section 4 provides that the director may make advances to a veteran certified by him to be qualified to participate in the benefits of this act. How can one qualify? What does that mean? Who determines whether a man shall qualify or not?—A. First of all, the determination of qualification starts with the service record of the individual. He must have had a minimum length of service with the armed forces. All that does is establish his eligibility to make application for assistance. As to his qualification to participate, those are reviewed by advisory committees established all across the country, before whom that veteran and his wife appear, who review the pre-war history of the candidate, his service, his background of experience, the references that are submitted from his acquaintances as to his character, responsibility and so on. It is on that basis that qualifications to participate are determined.

Q. Thank you very much. The reason I asked that was this: We have a neighbour—and I do not think this particular man could have qualified because he was a clerk who had worked all his life in the city of London and had never been on a farm in his life before; he was not a returned soldier, by the way—who came out and took up a farm. He knew nothing about agriculture whatsoever. About 1937 or 1938, I think it was, the Nor'West Farmer was giving master farmer certificates to those who were the most successful farmers in any community, and I submitted his name. In due course he received his master farmer certificate above everybody else in that community. So I certainly would advise those who are certifying these men not to hold it against a man if he had never farmed before, because there are some of them who would make wonderful farmers.

The CHAIRMAN: I can bear that out, Mr. Ashby. There was the case of Dr. Seager Wheeler, who was three times wheat king of the world; when he came to Canada from the old land he had never had even a garden, let alone a farm.

Mr. PEARKES: Is there any regulation which says that a man must have had two years' of experience on a farm after he has become eighteen years of age? An impression exists in my area that there is such a regulation; and as a number of soldiers joined up just about the time that they were eighteen, that rather eliminates a man who was born on a farm and lived on a farm until he was eighteen until he has gone and got another two years' experience.

The CHAIRMAN: Would you deal with that, Mr. Murchison, please?

The WITNESS: I do not think there is a regulation to that effect. There is an administrative policy to that effect, but it is not laid down in such hard and fast terms that it is rigidly applied. It is based on the proposition that the average young man who has not had a couple of years of practical farm experience after he reached his eighteenth birthday has not reached a point where he is ready to take on the responsibilities of farm proprietorship, and the assumption of a heavy debt. There are variations that occur in dealing with applications coming within that general class. We encounter the type of farm boy who has

been employed constantly on his father's farm, who probably left school at the end of the eighth grade or maybe with one year of high school, and who has a very wide range of practical knowledge and experience in farm operations. There is plenty of latitude for our advisory committees to make exceptions in cases of that kind. On the other hand, we encounter boys who have also been raised on farms but whose practical work in farming has been very limited because they have not stopped school when they were finished with grade eight but have gone on to high school; thus their actual experience on the farm has been limited to maybe two or three months during the summer after they passed the age of fifteen or sixteen, say. These cases have to be pretty well decided on their individual merits. Then again—I will be quite frank with the committee—we encounter boys who were born and raised on a farm, but unfortunately they come from farms of a class where there has not been any record of very successful farm operations throughout the history of that boy's lifetime; that is, the practical farm experience has been associated with agriculture rather more negatively than in a successful way. We must make allowances for these things; and where the committee feel that a boy is otherwise good material, in place of qualifying him immediately they may say, "We do not think you are ready yet to undertake this responsibility because there is a debt to be assumed, responsibility must be undertaken; we feel it is in your best interest, as you are still quite a young man, to go and take employment for a season with a highly qualified farmer who will take an interest in you and you can demonstrate whether you are really interested in this type of life or not. After all, you have been away from it for four or five years. I do not think there is a great deal more I can say on that, sir. It is a matter of responsible committees exercising their soundest judgment, and we have practical farmers on every one of those committees.

In looking over all-round qualifications, it is not just a matter of whether a man has had two years after he passed his eighteenth birthday. There are eight or ten very important factors which must be surveyed by an approving committee. First, there is a man's age. That is merely one factor. Then there is his state of health, his practical experience, his education, his capital position, his savings and that sort of thing. Another one is his service record; if he is a married man, the experience, aptitude and attitude of his wife, the number of dependents he has and so on. Those are all factors which must be reviewed by a responsible committee in surveying the prospective likelihood of any candidate coming under this Act with some reasonable degree of success. We use a score card, not for the purpose of applying a mechanical test in pure arithmetic but merely to focus attention on the more important factors which must be reviewed when you are considering establishing a man on a proposition which is going to mean the success or failure probably of his whole working lifetime.

By Mr. Pearkes:

Q. I am glad to hear the director suggest that there is some flexibility, because I am afraid in certain parts of the country a number of administrators are adhering rather rigidly to this directive that there should be two years' experience after the eighteenth birthday. I should like to suggest that many of these soldiers have been gaining farming experience while overseas in view of the courses they have taken in running mechanical vehicles. So many of the men were given very thorough courses in the handling of military tractors which, of course, would apply to civilian tractors.

I should like to cite another case because I have had several letters regarding this. There must be a certain stickiness, if one may use that expression, regarding the application of these directives. A man wrote to me not very long ago saying he had applied for a land grant and he had been told to go out and

look for the farm he wanted. He found two places that would be suitable to him and wrote in accordingly and said he had found two places which would be suitable. Apparently the board considered they were suitable but then they recommended that he take six months' experience. Six months would hardly qualify a man to get the necessary experience if he had not had any, and during the six months which elapsed both these places were sold.

Hon. Mr. MACKENZIE: Was this boy brought up on the farm?

Mr. PEARKES: He was brought up on a farm. He had previous farming experience as is suggested by the short time which was recommended for additional experience, only six months. I have the feeling there is a rigidity amongst some of the administrators in the field which is working to the disadvantage of the veteran who really wants to go on the land.

The CHAIRMAN: For the purposes of the record the provision covering it is section 10 of the regulations.

Where a veteran intends to carry on full time farming operations no qualification certificate shall be granted unless he has had at least two years' satisfactory farming experience prior to the date of his application.

That is the actual regulation. It is found on page 532 (i).

By Mr. Cruickshank:

Q. I should like to ask the director a question in that connection. My experience has been exactly the same as Mr. Pearkes and still is in the valley. There has been no flexibility at all about it in so far as the Fraser Valley is concerned. I can assure him of that. I am not trying to say that I am a farmer, but any time the director or anybody else tries to tell me that a boy who has lived all his life in the Fraser Valley on a dairy farm or poultry farm until the day he joined up does not know as much about farming as any two-year technical man I say that is not according to the facts.—A. I did not say that at all.

Q. I say it. That is just the trouble. There is no flexibility, as Mr. Pearkes says. I have had cases. I have even appealed to the minister and could not get to first base on one case because two officials in the city of New Westminster who are not practical farmers said, "No, this boy should have steady farming experience." He went to war at eighteen years of age. He had lived all his life on the farm and farmed all his life. Any time that anybody tries to tell me that a boy does not work on a farm after school and before school they have never lived in the Fraser Valley. I am not including myself in that, but I know how the farmers work there. What I do want to know is will there be an appeal to this new board? In the case I spoke of even the bank was willing to lend him money to buy the property when your board turned him down, but your board still insisted on turning him down. However, now you have got practical farmers which you did not have before.

Hon. Mr. MACKENZIE: We met your wishes.

Mr. CRUICKSHANK: I know you met my wishes, but can these boys appeal to this practical advisory board? I do not mean your officials, the white collar stiffs down in the office. Can he appear before the board of practical farmers appointed by your department and appeal the decision? If he can I am satisfied.

The WITNESS: There is no decision rendered by our department until it has been reviewed by the responsible advisory committee.

Mr. CRUICKSHANK: Mr. Chairman, I will take direct exception to that. Until a short time ago you did not have properly qualified boards anywhere in the Fraser Valley. You have now. I admit it because I know who the men are.

The WITNESS: I take serious objection to that remark by Mr. Cruickshank because since the Act was first started up in British Columbia there have been two quite successful dairy farmers on that committee at New Westminster. Mr. Cruickshank knows them. There is Mr. Wood and Mr. MacLellan. Both of them are veterans of the last war.

Mr. CRUICKSHANK: I am not saying they were not veterans of the last war, but we have got lawyers and bankers who were veterans of the last war in these committees, and what do they know about farming?

Hon. Mr. MACKENZIE: Quite a lot.

Mr. CRUICKSHANK: Not an awful lot.

Hon. Mr. MACKENZIE: I was brought up on a farm.

Mr. CRUICKSHANK: And any Scotch boy had to work on a farm.. I am sure of that. Mr. MacLellan was in my employ for some time. Mr. MacLellan and Mr. Cairncross were excellent gentlemen but they had not been practical farmers for years and years. The director ought to know that. We have good men now, and in my particular riding they were selected by the municipalities and the Canadian Legion. They are all practical farmers. If you want to insist that your board is practical and that they know their business, all right, we will forget that, because I hope they are not having anything to do with apportioning farms in my riding at the present time. All I am asking is can these young men appeal to the new boards? If they can I am perfectly satisfied. The new boards may reject or may allow them to take a farm, but they are practical men.

Hon. Mr. MACKENZIE: Re-submit their applications.

Mr. CRUICKSHANK: Yes.

The CHAIRMAN: But the point that is involved is this, and I have been wondering about it myself. As I have been reading the Act and the regulations it seemed to me that if by some chance the applicant did not manage to hit it off with the advisory committee there would be no way in which he could do otherwise than re-apply to that same committee.

Hon. Mr. MACKENZIE: The committees have been changed.

The CHAIRMAN: Even so, it is such a great privilege to get under this Act that I am wondering if there should not be some right of appeal from the decision of the committee. Is there any right? Suppose the advisory committee say "No". The only thing is to go back to that same committee, is it not?

The WITNESS: I have had some of these cases referred to me where veterans have been dissatisfied with the decision of a local committee. I am sure that you will appreciate that the director must be very cautious in reversing the recommendation of a committee set up by order in council to deal with these very things. I have reviewed a number of these cases and asked that the regional committee reconsider them because from my paper review I felt that probably certain factors had been subjected to tests that were probably a little unfair, but in no case have I arbitrarily reversed the recommendation of a committee. I have asked them to reconsider, and that is as far as I think the director should go.

By the Chairman:

Q. Has it worked fairly well? Have you felt they have genuinely reconsidered when you have asked them to do it?—A. Yes, I think so.

By Mr. Cruickshank:

Q. I might ask another question. I have not got the answer yet. We will grant that he thought he had qualified men, and if you like I will go further and

say in your opinion they were qualified men, but there been new committees set up. All I am asking is that these men be given the right to appeal the decision to these new boards which operate under this department. They are officials of this department. All I want is the right to appeal the these new committees. —A. It has been my understanding since the enlargement of the advisory panel in the Fraser Valley that those members of advisory committees which represent say Chilliwack, Matsqui or Mission are sitting on the committee when applications are being considered from veterans from those same communities. If that is not being done I want to know and I will look into it.

Q. It is being done, but I am afraid the director was either a lawyer at one time or a woman to evade answering as he does. It is being done at the present time but that is not the question at all. I am asking if the man who was rejected prior to these boards being set up can appeal now?

The CHAIRMAN: He can re-apply. I will put the section on the record. There is a section which provides for re-application. I will get it and put it on the record.

By Mr. Brooks:

Q. I was going to ask a further question. I might say I agree entirely with Mr. Cruickshank. Having been brought up on a farm myself I know that after school and on Saturdays and so on up to the age of eighteen you can certainly acquire enough knowledge to conduct a farm. I think that a boy eighteen years old who has spent most of his time on a farm, even though he has gone to school, is well qualified to take up farming. The question I wanted to ask was in connection with the single man. I know of a case where a single man was turned down on his application for a farm. They told him that as he was not married he could not have the farm. He was going to take his mother on the farm with him. Is there a regulation which says that a single man cannot take the benefit of the provisions of this Act?—A. No, there is no such regulation.

Mr. JUTRAS: I think there is something in the Act, is there not?

By Mr. Brooks:

Q. Have they been turned down to your knowledge?—A. Yes, there have been single men turned down and also married men.

Q. But they were turned down? What I am asking is, were they turned down on the basis they were single men?—A. Yes, I would say probably there have been some turned down on the basis they were single men. There have also been some approved. Unless you give me a specific case to look into I cannot give you a detailed answer as to why he was turned down.

Q. You say now they were turned down because they were single men?—A. There have been single men refused and single men approved.

Hon. Mr. MACKENZIE: The question of Colonel Brooks is were single men turned down for the reason they were single men.

The WITNESS: I wouldn't care to answer that until I had the name of the individual to check the files.

Mr. BROOKS: I do not think it depends on the individual case at all. I think if there is a policy of the department to turn down single men there must be some sort of general policy and not individual cases. This single man whom I know was a young man of about twenty-five. His mother was going on the farm with him. I have not the least doubt he intended to get married in a few years. Frankly I do not think a man should be turned down because he is a single man.

Mr. JUTRAS: Is it not specified in the Act that a man must be married?

Hon. Mr. MACKENZIE: No.

Mr. JUTRAS: There is something somewhere. I know that in practice the directors have waived that and established them if the mother was going to live with the lad. They did grant the privileges of the Act, but I am quite sure there is something in the Act that says a man must be married.

The CHAIRMAN: Probably you are thinking of section 6 of the regulations which says:

An application submitted as aforesaid shall be referred to a regional advisory committee for consideration and the veteran (and his wife if so required) shall personally appear before such regional advisory committee for oral examination.

I should also like to point out that the provision for reconsideration is section 9. It is not as broad as perhaps it should be in the light of the remarks of some of the members of the committee. Section 9 says:—

When in the opinion of a regional advisory committee a veteran is qualified to participate in the benefits of the Act it shall so recommend to the district superintendent and indicate the type of establishment for which qualified. When in the opinion of a regional advisory committee the veteran is not qualified it shall so recommend to the district superintendent, stating the reasons therefor, or stating the conditions under which a recommendation for qualification will be reconsidered.

I take it from that that if they refuse it entirely there is no provision I can find, in a cursory running over of the matter, for reconsideration.

Mr. BENTLEY: Where did you read from?

The CHAIRMAN: At page 532, (i) of that book in section 9 of the regulations; and if they in their refusal give reasons therefor—that apparently satisfies the regulations, or they may state the conditions under which the applications will be reconsidered. So it would be very easy to put it in the regulations that a person might re-apply after a certain period of time.

Hon. Mr. MACKENZIE: I certainly agree with the point raised by Mr. Cruickshank. I think where the committee has been enlarged or modified, say within the last six or twelve months, and the earlier committee has turned down an application from the would-be settler he should have the right to re-apply to the enlarged committee. I think now we will try to get these committees to represent as far as possible municipal councils, practical farmers, the Canadian Legion or other returned soldier organizations. I think the committee here might very well make a recommendation for a provision of that type.

Mr. WRIGHT: I would like to say that I believe a committee should be very careful when turning down an unmarried man simply because he is not married. I know a great number of these young chaps hesitate to get married until they feel they are established and can assume the responsibility of marriage. I know there have been a very considerable number of young chaps, myself among them, who came back after the last war and settled under the Soldier Settlement Act who hesitated to get married until they were established, or until they were assured that they were going to be able to make it go.

Mr. CRUICKSHANK: That was the trouble with the minister.

Mr. WRIGHT: The same thing would apply to-day, so I think we should be very careful. Another matter is with respect to where a young chap comes back and goes out and secures a suitable piece of land, then goes to the board and asks that that piece of land be bought for him and then finds that he must go out and work for a year or two and somebody else comes along and gets this land. Suitable land of this kind is scarce to-day in Canada. There is no doubt about

that. That is going to be one of the restrictive factors of this Act, obtaining suitable land. Where a young man has gone out and got a piece of land that is suitable, it seems to me the board should at least take over that piece of land and hold it for him until he has his period of experience.

Some Hon. MEMBERS: Hear, hear.

Mr. WRIGHT: Until it is settled on by a meeting. The fact is that land is scarce. I would like to know if the director has bought land say from the Hudson Bay Company, the C.N.R. or the C.P.R.; lands granted years ago which have been held by them for years and are held to-day by them in many cases for speculative prices which have increased since 1939. When this matter was up before the committee in 1942 there was a recommendation at that time that these lands should be taken over by the government and held for the boys coming back from overseas at the 1939/40 prices. It seems to me that any increase in the value of this land which has obtained has been due to the sacrifices which these boys have made, and that that land should be made available to them at the 1939/40 prices. I know in certain parts of western Canada that these various companies are holding considerable blocks of valuable land, and I would like to know just to what extent the director has been able to obtain that land for settlers.

The WITNESS: To my knowledge our purchases from the Hudson Bay Company have been very, very limited of raw, undeveloped land. I think Mr. Wright, with his wide knowledge of conditions in western Canada, would agree that the Hudson Bay lands in many districts have been pretty well picked over during this past 25 years. At any rate, there has been no great negotiations with the Hudson Bay Company for any general purchase of their land. So far as the C.N.R. is concerned, I may say that negotiations are going on at the present time with respect to a cancelled block in one of the better prairie districts of Saskatchewan. At the moment I cannot give an indication as to the likely result of these negotiations. I can say, however, that in the Madison district of Saskatchewan, which includes some of the better wheat land of the province, we did purchase quite a substantial block from a large absentee owner; it happened to be a company. I think the purchase covered about 17 or 18 sections of land, all closely contiguous, at a price I think to be very fair and satisfactory. The land is for the most part well equipped in buildings. The only problem that remains there is breaking it down into town and suitable farm units. Further than that we have not gone into Saskatchewan, because company lands as such have largely been replaced I think by individual land owners. There has been a lot of this land picked up during the last four or five years by operating farmers. We know that has gone on, but we just could not place ourselves into competition in all these land sales because prices being paid were beyond what we figured these lands were worth. Established farmers who had got on their feet and were quite prosperous during these last few years have been in a position to pay for, to enlarge their existing holdings, more than we felt justified in paying for land for the establishment of a stranger. I think Mr. Wright will recognize the difficulty that is there. Now, the only way that could be controlled, Mr. Chairman, would be by way of expropriation power. We had that power within the Soldier Settlement Act 25 or 26 years ago although it was never used. It is not incorporated in this Act. I suggest, sir, that it is purely a matter of government policy to decide whether such a drastic step should be taken at this time in order to secure the land necessary.

The CHAIRMAN: Would you deal with the other point, where a young man has got a piece of land which he has arranged to purchase and he has been told that he has got to acquire some further training and experience; whether there is any power, or is it the policy to hold that land for him for a reasonable length of time to enable him to complete his training?

Hon. Mr. MACKENZIE: I wonder if I might intervene a second. The Prime Minister of Great Britain is laying a wreath on the national war memorial at 12.50 o'clock, and if your deliberations are finished by that time it might possibly be convenient for the members to come down.

The CHAIRMAN: We might adjourn at that time. Just while we are on that, what is the pleasure of the committee? This is a war veterans committee and it just occurred to me that we might adjourn at a quarter to one and attend there at the laying of this wreath. It would be particularly fitting for this committee to attend the laying of the wreath at the cenotaph by the Prime Minister of Great Britain. Is it the opinion of the committee that we should adjourn at a quarter to one?

Mr. CRUICKSHANK: That would not give us time.

Mr. ROSS: I suggest that we adjourn at 12.30 so we can get our wraps and get over there. I think it is most appropriate that we should attend as a committee.

The CHAIRMAN: Is that the wish of the committee, that we shall adjourn at 12.30 o'clock?

(Carried)

Mr. McKAY: May I ask a question, Mr. Chairman?

The CHAIRMAN: Does it relate to the same question as that asked by Mr. Wright?

Mr. McKAY: Yes, it relates to the same subject.

The CHAIRMAN: All right, you may ask it.

Mr. McKAY: With reference to the purchase of lands from people like the Hudson Bay Company and the Canadian Pacific Railway and the C.N.R. you told us about the Hudson Bay Company and the Canadian National Railways but you did not mention the C.P.R. which owns considerable land in the west. Have you been able to make any deal with them yet?

The WITNESS: Not yet.

Mr. PEARKES: Is there any possibility of getting land which is now used as Indian reserves and which the Indians are not using for agricultural purposes and make it available for veterans? I have in my constituency a number of Indian reserves. The Indians are employed in fishing and the lands which they have, some of which are the most fertile lands of Vancouver Island, are going back to willows and bracken, whereas that could be made available for the veteran if the land could be brought under production, and very valuable home-steads would be acquired for veterans.

The WITNESS: Do you want me to answer that first?

The CHAIRMAN: I think you may as well finish with Mr. Wright and then deal with the question asked by Mr. Pearkes.

The WITNESS: In answer to Mr. Wright, I would say that quite a number of cases have occurred where we have purchased land in circumstances of that kind and we have associated the name of the veteran with that particular land. Now, it has even gone this far, that we have received representations from the parent of the veteran who is overseas and who has brought to our notice a certain parcel of land in the community that he would like to have reserved for his son. We have strained a point in a few cases in buying that land and associating the name of the individual boy with it but on the understanding that the land could not be held beyond a reasonable period because we had no assurance that that boy was ever going to come back to Canada. But we have purchased a number of properties in that way. We have also purchased some properties clearly within the type of case Mr. Wright has referred to under section 8 of the Act and we are holding them until the boy is ready for establish-

ment. I do not think myself, Mr. Chairman, that that policy has been developed as far or as fast as it might have been; but I think you will appreciate that after all the war has only been over a few months and we had to be a little bit cautious in what we were doing prior to the cessation of hostilities. I have always felt myself that if a veteran who has appeared before an advisory committee appears to be good solid settlement material we should take quite some risk in securing land for him if there is hope or expectation that within a reasonable period he would be ready for settlement. And now, that is about all I can say on the point raised by Mr. Wright. There may have been the odd case where it has not been done that has caused some disappointment; but, as I say, I think that is a policy that could be developed to a greater extent than it has been at the present time. However, we have made a start.

And now, with regard to the question raised by Mr. Pearkes, I may say that I have been negotiating with the Department of Mines and Resources several times during these past two or three years on the very point that has been raised. At the present time there appears to be very definite opposition to the surrender of any additional agricultural land held by any Indian band in Canada. No surrender of land can be made of course without involving complete agreement by the council and the band of Indians concerned. I am informed that recently a surrender has been arranged on a reserve north of Fort St. John in the Peace River district. That land will be offered for sale by the Department of Indian Affairs and I believe that we are going to be interested in making an offer for it. But in and around Vancouver Island, in southern British Columbia, down through the Okanagan Valley for instance, there is quite a bit of land held by Indian bands which is not being made much use of. Nevertheless, it is held by certain Indian bands and they are opposed to any surrender. I have run into the same thing in connection with the Blood Indian reserve south of Calgary, even where we have a few enlistments of Indians themselves. We feel that, as a settlement agency, probably there is more land there than is needed for the number of Indian population. And notwithstanding these cases, however, there does appear to be a general feeling of opposition toward the surrender of any further Indian reserve lands.

Mr. WRIGHT: With respect to what the director just said with regard to the expropriation of land, I agree that it is a very ticklish question, but there is certain land being held in western Canada, valuable agricultural lands, by companies for purely speculative purposes; and I feel that where there are returned men who served four or five years overseas for their country and are now coming back to Canada that that land should be made available to them; particularly if it is being held by any company or individual for purely speculative purposes, where it is in areas where there are roads and the various amenities of life. Our boys should not be asked to go back into the hinterland to get undeveloped land where that land is available. I would ask that the government give serious consideration in cases where there is such land—I know there is not an awful lot of it but there is some of it in western Canada—that they give serious consideration to make it available to our returned men.

The CHAIRMAN: Do you suggest that there is much land being held up for purely speculative purposes and not being farmed, Mr. Wright?

Mr. WRIGHT: There is land that is being held for a certain price—a price that is above what is considered the market value of the land in a particular community at the time. I consider that as being held for speculative purposes. For instance, a company may have held land for an individual at \$10 an acre in 1939 and 1940, but today if you go to buy the same land they are asking \$15 an acre. The veteran may not consider the price of \$15 an acre a fair price, but would be prepared to pay \$10 an acre—the price that the land was held at in 1939 and 1940. In such cases I think that serious consideration should be given

to see that that land is made available at the 1939 and 1940 prices. After all, any increase of the value of our land has come about because of the fact that we won this war; make no mistake on that. If we had lost this war and Germany had won it she would have sent her settlers over here and she would not have dickered as to whether the price was the 1939 or the 1945 price; she would have taken the land and given it to her people.

The CHAIRMAN: What I had in mind, Mr. Wright, was where you would draw the line. For example, you would not want to sell your farm to-day for, perhaps, what the average person working under the Veterans' Land Act would be willing to buy it for. I think that is right.

Mr. Ross: I wonder if Mr. Wright would tell us how he determines the 1939 prices?

Mr. WRIGHT: These lands were held—mortgage companies and land companies had their land listed in 1939 and 1940. The listed prices are there for their lands.

Mr. Ross: Many of them did not have them listed.

Mr. WRIGHT: Many of them did have. The list prices were there on practically all company land.

The CHAIRMAN: You are referring to just vacant, untilled lands?

Mr. WRIGHT: Yes.

Mr. CRUICKSHANK: May I ask the director a question or two? When these people have to go before the board—take for instance in the Fraser Valley—do they have to go to New Westminster, or is a board held in various places? Take the case of a man and his wife, do they have to go to New Westminster?

The WITNESS: I cannot give you a positive answer to that, Mr. Cruickshank. I imagine that the great majority of the meetings thus far have been held in New Westminster.

By Mr. Cruickshank:

Q. Would you consider instructing your officers in that regard? Surely it is possible for the board to hold their meetings in various parts of the valley. For instance, I cannot see why a man and his wife should have to make two or three trips, say, from Ottawa to Montreal or halfway to Montreal or something like that. If there is an advisory committee in the Ottawa district why could not the board sit here and meet the farmers' convenience? The treasury of Canada has more money to pay travelling expenses than has the individual settler. Would you consider instructing your officers—and there are a lot of districts concerned—to go to the various portions of the valley?—A. I have no objection to that at all. I might say for a moment's elaboration on that that in the Fraser valley by going as far as New Westminster, and speaking from the point of view of distance, the veterans are not under a very serious handicap. It represents an average distance of thirty miles, and that would represent a fair average distance to travel. Now, we cannot set up administration facilities on such a general pattern for the Dominion of Canada and bring it any closer than that.

Q. You haven't got the point—A. Yes, I have the point.

Q. I disagree over the thirty miles; but I can see no reason why your board from New Westminster could not go to Chilliwack when some land is in question there and convince that man and his wife that it is not suitable land, that it has not got water and the soil is not suitable. In that case the prospective settler is satisfied. But I cannot for the life of me see—there is only one man concerned from the office, two from the advisory board are under your department, and they are practical farmers, and the chairman comes from your office—why that chairman could not run over there in his car. Don't forget that

there is a special set-up in Chilliwack, and I presume there is in other centres, for that purpose. I do not see why you could not go up there and hold a meeting in your own office in Chilliwack.—A. We are doing that up in the larger regional districts—a regional office which has an area which extends 150 miles.

Q. I have a large regional district too. There are sixty members here who can look after their own interests, but I am primarily interested in the Fraser valley. Now, the other question I asked was, how many small holdings have been purchased in the villages of the Fraser valley—places such as Matsqui and Hope? That is a matter of record.—A. I haven't got those records here in that form, but we have a staff at work making a search of these things to get that information for you. If you will recall, Mr. Chairman, Mr. Cruickshank posed a number of questions at our first or second meeting, and some searching is going to be necessary in order to get the accurate breakdowns to all the questions asked.

Q. It will be available?—A. I have people engaged in the searches now and we will get that information as soon as possible.

Q. I appreciate that. I did not expect you to do it right away. There is one matter I am particularly interested in and that is the price paid for this land. The average price as quoted for British Columbia was \$55.54. I want to know how much these lands cost in the Fraser valley, because I dispute that figure.—A. I think if Mr. Cruickshank would study the summary of lands appraised and purchased, which is placed on the record, he will see that the average price paid for land designated as farm land in British Columbia—in the Vancouver area, and that includes the whole of British Columbia—was \$55.54; but if he will look down into the small holdings which constitute a much larger part of the purchases in British Columbia, he will find that the average paid was \$158.35.

Q. Mr. Chairman, that is the reason I am asking these questions. I am advised by my representatives in British Columbia, who are keenly interested, no later than yesterday by telegram, that I am correct in my opinion that those figures are entirely wrong. I am interested not in the purchase of farm lands in that portion of British Columbia which is up north. It may be excellent land. I do not know anything about it. I do not know anything about the land in the Peace river district. But I am interested in knowing what price was paid for farm land in the Fraser valley and that district—the electoral district of New Westminster—and that covers the entire Fraser valley. Surely you can tell me the average price paid for farm land—not small holdings—in that area?—A. At the risk of giving the committee too many figures I think I can give Mr. Cruickshank a very good index based on the Japanese lands which, after all, constitute the great majority of the lands we have acquired in the Fraser valley. There are 699 farms, properties, I believe, that were taken over from the official custodian. Now, as Mr. Cruickshank well knows there are some of these Japanese properties which can quite properly be designated as full-time farming enterprises and there are others which are definitely in the small holdings class. We have a preliminary breakdown as between those two classes of properties subject to some further adjustments and they work out something like this by municipalities in the Fraser valley. This deals only with Japanese properties. The average cost price per acre of properties designated as full-time farms in the Coquitlam municipality was \$138.29 per acre and for small holdings in the same municipality the price was \$198.77. In Pitt Meadows the average price for farm lands was \$72.55, and for small holdings \$97.51 per acre. In Maple Ridge the price for farm lands was \$126.44—and strangely enough in the municipality the price for small holdings was \$64.91. These are small blocks, I think, that are north of Haney. In Mission there was no farm land designated as such among the Japanese lands, but the small holdings price was \$109.23.

In the Mission municipality the price for farm lands was \$84 and for small holdings \$87.97. In Dewdney the price for farm lands was \$128.51, and \$80 for small holdings. At Richmond the price was \$252 an acre for farm lands and \$301 an acre for small holdings. In Delta the price for farm lands was \$114.05 and the price for small holdings was \$132. In Surrey the price for farm lands was \$110.47, and for small holdings \$84.94. In Langley, where the purchases were very small as far as Japanese property is concerned, the small holdings property cost an average of \$44.49 per acre. At Matsqui the price of farm lands was \$35.70, and the price of small holdings was \$54.33. At Sumas the price of small holdings was \$116.58. At Chilliwack for farm lands the price was \$152.35. There were no small holdings. There is another one here, Coast, of \$45.73 for small holdings. Now, I would like to point out, sir, that in arriving at the value or the purchase price of these Japanese lands we used pre-war values in arriving at the prices we paid for these Japanese lands. That is about as detailed information as I can give.

Q. That you. I shall be glad to get that. There was a particular set-up, which I had the honour of recommending, including Judge Whiteside— —A. I will try to get that.

Q. What was the average price paid for farm lands in the Fraser valley and Westminster—not Japanese holdings?—A. I will have—

Q. That is the key point. I definitely state it is utter nonsense to tell me that the average price is \$55 an acre for the lands around Chilliwack or Sumas or Mission. If it was bought for that price, then this board or any other board has no right to settle a settler on it. The land is not suitable. I know that is not the price paid.—A. I have told you what the price was for the Japanese lands which constitute the bulk of the land purchased in the Fraser valley.

Q. What I want to get at is what this board paid. I will give you a particular case: the Trites farm which every recognized farming organization in Chilliwack—there is no finer farming district in Canada—say is absolutely unsuitable for farmland. There is also the Elliott farm—those two farms. Surely this board must have the prices paid for farm lands in the entire Fraser valley, or should have.—A. I have tried to answer these questions as fairly as I can. I have told you that I have people at work getting these figures. I cannot be expected to come before this committee and state what was paid for this or that farm all over the Dominion of Canada. I must have an opportunity to have the appropriate records searched. I have people doing that, and I am prepared to furnish the answers as soon as the information is ready.

Q. I want to know when that is going to be done. This board has been functioning for two years, and before I am prepared to agree to the passing of this Act I want to know if it is at all possible for the veteran to take advantage of it as a farmer in the Fraser valley. How can I be expected to pass this Act and say whether a veteran can get a farm for \$4,800 or \$6,000 when, say, for the sake of argument, land costs \$300 an acre? It is time that the board got this information. If they have not got enough staff over there there are hundreds of soldiers back walking the streets looking for jobs, and they can give you plenty of help. Before this committee rises I want to get those figures.

Mr. BENTLEY: This brings up a matter that was discussed off the record last Friday. I think it is in this Act and it should be discussed. I do not know why we kept it off the record, but we started off the record and we kept it off the record from that time on. I pointed out at that time that a good many of these farmers—

The CHAIRMAN: The reason was that there was a good deal of discussion and very often in these committees, Mr. Bentley, the discussion in regard to the actual form of an Act is not put on the record.

Mr. BENTLEY: I should like to have this on the record, Mr. Chairman, this recommendation I am going to make. I submit that under capitalization on many of these farms might be the rock on which they would fall. I think the farmers on this committee know that, generally speaking, it is a rare piece of land that can be purchased and set in operation for \$6,000. The first thing that an enterprise of this kind has to do is to provide a living commensurate with what we think is the proper standard of living for Canadian citizens. It must provide that. It must provide the cost of operation. It must provide the servicing of the debt against it. It must provide for the eventual retirement and recovery of the capital debt. These four things are essential. A good many of these parcels of land will not be able to do that under \$6,000. I want the director to understand that I am not blaming him or anybody else or the framers of this Act. I am just suggesting that is the case.

To rehabilitate a man properly, he must be set up in business in such a way that there is a possibility of its being a going concern. His qualifications have been explained to us, and how they are established by the director. The next thing is, is his enterprise properly capitalized? I think that this committee should make some recommendation that the director would have authority, with elasticity enough to decide the amount that should be loaned. I am not arguing for a bigger grant than \$2,320. That may be the proper amount. That goes to the veteran after he is established or rather after he has convinced the director that he is going to stay there after 10 years. By that time he will have made his equity more than \$2,320 if he is industrious and successful in his operations. But it may not be enough to retire that debt and provide the living he should have. I believe that the director should have authority to lend more than that if necessary. I believe the authority should extend to the point where the veteran is settled on a place, a farming enterprise, so that he has a good potential possibility of establishing himself, retiring the debt and eventually owning that land. There may be cases where it will take \$11,000. There may be cases where it will take \$8,846.24. The director should have the authority to grant that. We are assuming that these veterans are intelligent men. Their qualifications for farming are already established by the methods already described. Obviously these men are not going to take on a debt that they themselves think they cannot retire, so we are not imposing anything on them; they would not be required to take it if they thought the debt was too high compared to what they would get out of it. But certainly I believe that of the two things that could contribute to the failure of an enterprise, one could be inefficiency or lack of proper application of the labour required, and the other one could be, I believe almost equally, under-capitalization. Many many enterprises of one kind or another have disappeared from this country—

Mr. QUELCH: Mr. Chairman, I rise to a point of order. We had a lot of discussion on section 9 the last time we met, and we kept that off the record. Are we going to reopen section 9 for discussion again? Perhaps we all should like to put something on record, and I believe we should have a fair deal in that respect.

Mr. BENTLEY: I submit that I am in order under the first paragraph of section 13, under section 4 here.

Mr. QUELCH: You are not talking about the grant. You are talking about loans, not grants.

Mr. BENTLEY: That is right. I said distinctly I thought the grant of \$2,320 was a right grant. I was not arguing against that at all. I am submitting that the loan of the balance over that up to \$6,000 is not enough in many cases, and I believe the director should have authority to extend it. Then the question was raised on that issue, how much are you going to pay? Are you going to go into these big beautiful affairs? I say, no. All we are trying to do

is to establish the veteran on land where by just working farm he can, by applying his labour and management to that farm, make a successful operation of a family farm. That is what we are trying to do, and I believe most of the committee will agree that that is the proper way to farm in this country. So I think that, with that in view, we should make that decision for him to have a loan of enough to make the venture reasonably prospectively successful.

Mr. QUELCH: The last speaker is slightly confused, because he says he does not object to the grant of \$2,320. Under section 13 there is no provision for a grant at all.

Mr. BENTLEY: I only mentioned that to show that I was not trying to get a larger grant. I was simply trying to get a larger loan, if necessary. I only mentioned the grant in passing.

Mr. QUELCH: Coming back to section 13, may I say that I object to section 13 because it suggests rank discrimination against a certain class of veteran; namely that class of veteran who already owns land and has a mortgage against it. Under the Act as it stands, suppose a veteran upon his return has \$5,000 in liquid capital. There is nothing, I take it, to prevent him from getting from the Veterans' Land Act administration \$4,800, adding \$3,000 of his own capital to it and buying a farm for \$7,800, and then taking the other \$2,000 of his capital, and adding it to the \$1,200 and buying a full line of machinery; then he would have a very nice unit, perhaps a half section of land worth \$7,800 and machinery worth \$3,000. I take it there would be nothing to prevent that?

The WITNESS: Not a thing.

Mr. QUELCH: Is there any ceiling upon the amount of capital a soldier may have and still obtain the benefits of this Act?

The WITNESS: There is no means test.

Mr. QUELCH: There is no means test. Then let us take section 13. We will say that a soldier comes back and that he has half a section of land worth \$6,700. Under section 13 he can obtain a loan to pay off the mortgage up to 60 per cent of the value of the land; probably he could pay off a mortgage on a half section of \$4,000. But he does not get a single dollar of grant under section 13. All he could do would be get a loan to pay off that mortgage. He might have machinery; and if he had been overseas six years that machinery would probably be pretty old and probably not worth more than \$1,500. So actually that soldier would only have an equity in the farm of say \$1,500 in machinery and \$2,700 in land, a total of \$4,000; yet you have debarred him from the benefits of the Act merely because he has an equity in that land whilst, on the other hand, you are allowing a soldier with capital of \$5,000 to get the full benefits of the Act.

We all realize, as the last speaker has mentioned, that there will be a certain amount of difficulty in settling a soldier under this Act if he has power to pay only \$6,000 for the land. The veteran who might best succeed under this Act would be the one who already owns his land, perhaps with a mortgage on it. It does seem to me that we would do well to wipe out section 13 entirely and make every veteran, whether he has land or not, eligible for the full benefits of the Act. If on the other hand you feel that a soldier who has a fairly good farm might be getting too good a deal under this, we could place a ceiling on the amount of capital that a soldier might own and still obtain the benefits of the Act. We could put a ceiling on the capital, whether it be in the form of Dominion of Canada bonds or land. I cannot see why we should discriminate as between them, and in the case of the soldier who has an equity, we will say, of \$5,000 in bonds on the one hand, we say he can come under the Act and get the benefits under it and in the case of another soldier who has an equity of

\$4,000 in land we say he cannot get the benefits of the Act. That is what we are doing under section 13. To me it is rank discrimination against the veteran who is already on the land, and who is the one who would probably have the best chance of succeeding under the Act. All we do now is let this soldier get his re-establishment credit which would amount to only a few hundred dollars. I think we should consider striking section 13 out entirely, so that a veteran with land that is mortgaged may sell that land back to the Soldier Settlement Board and obtain the full benefits of the Act.

Mr. WOODS: Mr. Chairman, may I ask Mr. Quelch a question. Following his argument there let us assume that, instead of having a piece of land with a mortgage against it, the farmer has his land absolutely clear and he has his stock and equipment clear. He needs no financial assistance. Carrying his argument through, does Mr. Quelch suggest that that man be given a grant of \$2,300 because he has a farm?

Mr. QUELCH: I would say that man should be put in exactly the same position as the man who might have an equity of \$15,000 in bonds. That is why I asked the question, is there a ceiling? If you are going to say that a man who has \$15,000 in cash in the bank or in bonds can obtain the full benefits of this Act, then I say that the soldier on the farm, as you have mentioned, should be equally entitled to it. But I think there should be a ceiling and that we should say that any soldier with capital in excess of a certain amount, say \$12,000, does not need the benefit of this Act, because he can re-establish himself. But I cannot see why we should discriminate as between the man who has an equity in the land and the man who has an equity in cash or bonds.

Mr. WRIGHT: Following Mr. Woods' argument a step further, if a man who has a half section of land paid for, and has a full line of stock and equipment, comes back and makes application to buy another quarter section or half section somewhere in the vicinity of his original half section I take it that the board would grant that deal?

The WITNESS: I do not know how we could avoid it under the Act as it stands.

Mr. WRIGHT: Then if he has a farm which has a mortgage against it why should he not be in the same position and get the same benefits as he would if he had a clear farm?

Mr. QUELCH: Why should you put the man with the mortgage in a worse position than the man with the clear farm?

Mr. WOODS: The answer to that lies in the fact the rehabilitation program is designed to meet the needs of the individual. Since it is so designed there are bound to be cases where there appears to be discrimination over treating one man more generously than another. I cited a case the other day of a boy who has his senior matriculation and four or five years' service. He has the right to go to college and the state is prepared to spend \$4,000 or \$5,000 to give him a university education. Another lad who has served with him by the aid of his parents and himself has put himself through college just before he enlisted. The state is required to spend nothing on his behalf for training at all. That looks like discrimination against the lad who has already got his education. How you are going to avoid that if you are going to have a program designed to meet the rehabilitation needs of the individual I frankly do not know. The parliamentary committee which passed the Veterans' Land Act was thoroughly familiar with that, that it was designed to meet the rehabilitation needs of the individual, and it was not an attempt to convey to everybody a grant of \$2,320.

The CHAIRMAN: The reason why the man with \$15,000 worth of bonds might come in and get the benefits of the Act, Mr. Quelch, is due to the fact, I

suppose, that while the principal purpose of the Act is to help the men who need to get established I imagine that the veterans' committee hesitated very much about putting any sort of means test on the matter that would lead to complications, arguments, and so on, and at times might be very embarrassing. I suppose that the reason that you can say that the man with this large property could come right in and demand the benefits of the Act is due to our reluctance to put a means test on anyone who claims the benefits of the Act.

Mr. QUELCH: You are using a means test right there when you say that the man cannot get the benefits of the Act because he has a farm mortgage. It is a very discriminatory kind of means test. I say if you are going to have a means test have a fair one. Another point is that the man with a farm worth \$6,700 and a mortgage on it of \$4,000 will have machinery that will be old because he has been overseas for six years. That machinery probably was not new when he left and will most likely be eight, nine or ten years old. He will need new machinery. What can he do? Do you re-establish him under the Act? You do not because all you provide for is a loan of \$4,000 to pay off the mortgage. He will still need machinery. You are not providing him with any help to get machinery. You are not re-establishing the man under this section.

The CHAIRMAN: I think you are right under this section because practically nobody is going under this section.

Mr. Ross: What is to prevent the board from taking over that property, reselling it to him and putting him on the same basis?

The CHAIRMAN: I am pointing out that what has happened in practice is that practically nobody is coming in under this section. They are taking advantage of the other section.

Mr. QUELCH: I gave an example at the last meeting where a soldier had a half section of land. Mr. Murchison suggested that it might be worth \$6,000 because it was in the Munson district. He had a mortgage of \$3,500. He applied for the benefits of the Act. The local supervisor recommended that he be allowed to sell his land to the board but it was turned down at Ottawa and all he could do was get a loan under that section. In my opinion that is rank discrimination. That boy is not properly re-established because he will have to buy a lot of machinery and other stuff.

The CHAIRMAN: Did you take the matter up?

Mr. QUELCH: I took it up with one of the superintendents at Calgary. The superintendent said, "The boy is satisfied." I said, "The boy is satisfied if that is all he thinks he can get," but the mere fact that the boy came to me and asked me why he could not get the full benefits showed he was not satisfied. The superintendent said he was satisfied. He was certainly not satisfied with a loan of \$3,000 when he could have got an outright gift of \$2,200. It does seem to me to be rank discrimination.

Mr. Ross: If that is the case and the administration is carried out as it has been in this case I think we should delete this clause and provide that the board can take over property where there is a mortgage existing such as in this instance. Then they could re-establish the applicant on the same basis as though he did not have any land at all, and on the same property. Surely we can provide for that in the Act. I think it would be very much more just in the case of these chaps who happen to be carrying a heavy mortgage. They are entitled to the same consideration.

The CHAIRMAN: I have been trying to follow the argument of Mr. Quelch. If it is possible for them to come under the Act they can come under it. The mere fact you have this power for somebody to come and borrow money does not in any way infringe on the other powers under the Act. As far as I can see you do

not improve the situation in any way by striking this out of the Act. I have been trying to follow the argument. Leaving this in the act to give men the right to borrow does not affect their rights under the other sections. It does not cut them down or in any way injure them that I can see. I have been trying to follow the argument.

Mr. QUELCH: Except to this extent, that the board in certain cases are refusing to allow the veteran to obtain the benefits of the Act and are forcing him under this section whereas if this section did not exist he would automatically come under the full benefits of the Act.

Mr. WRIGHT: They are using it as an excuse.

The WITNESS: I wonder if I could make a few comments on this point. With all due respect to the arguments that have been submitted thus far I suggest that this problem is not as serious as it is being made to appear. Thus far we have approved thirty-four loans throughout Canada under section 13 of the Act. That is for mortgage loans. I want to assure you, Mr. Chairman, and every member of this committee that we are not taking unfair advantage of section 13 to deprive any veteran of the benefits of this Act.

I have stated over and over again to administrators and to various meetings of veterans, and so on, as to how that section of the Act actually operates. First of all we have under section 7 of the Act authority whereby the director may for the purposes of this Act purchase by agreement at prices which to him shall seem reasonable or in any other manner acquire by consent or agreement from His Majesty in the right of Canada or from any province or municipal authority, or from any person, firm or corporation, such lands and buildings situate in any part of Canada and such other property including building materials, live stock, farm equipment, and so on, as the director may deem necessary.

Bringing that to bear on this problem which is being discussed now we have encountered more cases where we could not reach a veteran under section 13 than those where we could. As I have stated over and over again we run into these cases in three distinct groups which are fairly clean cut. The first is the veteran—and these constitute the large majority—where section 13 will not operate. That is the case where a man has property of his own unencumbered with a mortgage or with taxes or with an uncompleted agreement for sale and he has limited stock and equipment. The value of that property today is such that we cannot bring about his sound re-establishment with a loan under section 13 because we are limited to a loan of 60 per cent of the value of that land. That 60 per cent in some cases may be down as low as \$600 or \$700, clearly nothing like enough to bring about the man's re-establishment if his land is suitable.

A lot of this land is in a more or less undeveloped state, so we take title to the land under section 7 of the Act, which I have just quoted. The purchase price of that land to the director is the amount of the encumbrances outstanding against it. If improvements are needed to that farm, to fix up the house, or to fix up the barn or to erect some needed buildings, funds are approved for that purpose and that becomes part of the cost of the property to the director. And when a new subdivision is necessary, some clearing or something of that kind and funds are provided, that adds to the cost of the contract; and the sum total of these things amounts to the cost price of that farm. Then it is sold to the veteran under section 9, 10 per cent down and a contract for two-thirds of the cost; and he has established eligibility for a grant of \$1,200 for stock and equipment. These cases occur quite frequently. Where the value of the land is such that we cannot reach him under that section, we reach him under section 13—in other words, we endeavour to bring about a man's rehabilitation on his own land. At the other end of the line

we have had a number of these cases this fall—we have had 34 altogether I think—where the value of the property was such, and where the needs of the veteran were of such a nature that we could act legitimately and effect the re-establishment of the veteran on his own land within the terms of section 13 of the Act. In between lie certain borderline cases where it is doubtful, very doubtful some times, whether we are properly establishing a man under section 13. We could probably take a skimpy, narrow view and say that we will squeeze the requirements down and we will push the value up to make it meet those of section 13. I want to assure the committee that is not being done. We are trying as decent administrators to take a decent view of our responsibilities under this Act, and if that land is of a nature and the land requirements are such that his sound re-establishment on that land could not be realized under section 13, we bring him under section 9. And now, I cannot give the committee any more assurance on that point than I have stated in these terms. I think Mr. Woods put his finger on the thing precisely when he pointed to the general objective of the whole rehabilitation system, saying that it was meant to assist the man, the veteran, to become re-established. We all recognize that there are bound to be cases develop under this Act where a man comes to us for a loan who has nothing but maybe his 10 per cent and for a combination of reasons we will not touch him at all. Those things are bound to happen. So that it does not matter which way you turn, there is an element of discrimination; but, as I say, we endeavour to treat this thing fairly.

The CHAIRMAN: We will adjourn until to-morrow at 10.30 o'clock a.m.

The committee adjourned at 12.30 o'clock p.m. to meet again to-morrow, Tuesday, November 20, 1945, at 10.30 o'clock a.m.

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SESSION 1945
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 22

Tuesday, November 20, 1945

WITNESSES:

Mr. W. S. Woods, Deputy Minister of Veterans Affairs;
Mr. G. Murchison, Director, Soldier Settlement and Veterans' Land Act.

MINUTES OF PROCEEDINGS

TUESDAY, November 20, 1945.

The Special Committee on Veterans Affairs met this day at 10.30 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Adamson, Ashby, Belzile, Bentley, Blanchette, Brooks, Cleaver, Cockeram, Dion (*Lake St. John-Roberval*), Dorion, Gauthier (*Portneuf*), Gillis, Green, Harkness, Harris (*Grey-Bruce*), Herridge, Jutras, Langlois, Marshall, Mackenzie, MacNaught, McKay, Merritt, Pearkes, Probe, Quelch, Ross (*Souris*), Tremblay, Tucker, Viau, Winters, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mr. G. Murchison, Director, Soldier Settlement and Veterans' Land Act.

Consideration of the proposed draft bill to amend The Veterans' Land Act, 1942, was resumed, and Messrs. Murchison and Woods were heard thereon.

Mr. Mackenzie drew the attention of the Committee to the position of former members of the armed services of nations of the British Commonwealth other than the United Kingdom and of our allies who were domiciled in Canada at the time of their enlistment, and suggested that, pending consideration of the proposed bill to amend the Pension Act, and with the approval of the Committee, the case of such veterans be dealt with by Order in Council with a view to making them eligible to receive similar pension benefits as are now available to former members of the Canadian armed services.

On motion of Mr. Green, the Committee unanimously approved such action being taken by Order in Council.

Mr. Quelch moved that clause 4 of the draft bill be amended by inserting the words *where a veteran prefers not to take advantage of section nine* between the words *may* and *make* in the third line thereof.

The question having been put, it was negatived on division.

Clause 4 was adopted without amendment.

Clause 5 was amended by deleting subsection (1) of section 35 and substituting therefor the following:—

35 (1) The Minister may, with the approval of the Governor in Council, enter into an agreement with

- (a) the government of any province for the settlement of veterans on any provincial lands that the provincial government may recommend as being specially suitable for settlement by veterans; and
- (b) the Minister of Mines and Resources of Canada for the settlement of veterans on any Dominion lands that the Minister of Mines and Resources may recommend as being specially suitable for the settlement of veterans.

Clause 5 was further amended by inserting the words *or Dominion* between the words *lands* and *pursuant* in the fourth line of subsection (3) of section 35.

Clause 5, as amended, was adopted.

At 12.45 o'clock p.m., the Committee adjourned until Thursday, November 22, at 10.30 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

November 20, 1945.

The Special Committee on Veterans Affairs met this day at 10.30 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: We are now discussing clause 4 which provides for enacting section 13 providing for a loan. That is under the Veterans' Land Act.

Mr. QUELCH: Is the superintendent going to be here?

The CHAIRMAN: He heard us adjourn. I suppose he must have been delayed for a minute or so. Yesterday we were discussing this clause and it was suggested by Mr. Quelch particularly that because there was this provision to lend money there might be cases where this procedure which, of course, does not confer nearly as many benefits on a veteran, might be followed rather than the other sections where they get the benefit of the write-off, and so on.

I understood from the director that they always went under the most beneficial section from the standpoint of making sure that veterans were adequately re-established. I took it from his evidence that the fact they had this section would not prevent them from using the other in any case where it was deemed proper and in the best interests of the veteran to use it. Apparently this section is not used very extensively. I make that explanation for the benefit of one or two members of the committee who were not here yesterday. I suggested to the committee at the close of the hearing that I felt that the repeal of the section as suggested by Mr. Quelch might take away the right to help somebody who just needed a loan, that after all it depended upon proper administration whether veterans got the full benefit of the other sections, and that the repeal of this section would not help them. May we carry this section?

Mr. QUELCH: I wish Mr. Murchison was here because, first of all, I want to refer to a question I asked Mr. Murchison on page 636. I said:—

Q. When you consider an application by a soldier who has, for example, \$4,000 in bonds, then such applicant has a substantial amount of capital to enable him to come under the full benefits of the Act. Why then do you differentiate between the amount of capital he may have in the form of land as against a similar amount of capital he may have in the form of a deposit in the bank or in the form of bonds?—A. I cannot answer that.

That is what I asked you, Mr. Murchison, and that is the answer you gave. I think that question has to be answered in dealing with section 13. The minister will remember that I raised this question in 1942 in the House. The leader of the Opposition, Mr. Hanson, got up and said from my statement there appeared to be discrimination. He asked you whether there was and you admitted there was discrimination under this section. Therefore, I do think at this time when we are reviewing the Act we should attempt to remove that discrimination. Yesterday the superintendent, Mr. Murchison, stated that there was no means test applied. I asked the question how much capital would a veteran have to have before he would be debarred from the benefits of the Act and his reply was there was no means test. In other words, a man might have \$10,000 or \$15,000 in the bank and in the form of bonds and still be able to get the full benefits of the Act. I wonder if the superintendent is absolutely

certain that answer is correct. I ask that for this reason. When I took up the case of the veteran from Munson with the branch at Calgary and gave them just about the same argument that I am giving to you now I was told that if a soldier had a substantial equity in the form of money or bonds he would not be able to come under the Act. You say he would. I am wondering if they have got the wrong interpretation there or whether you are not quite correct in your statement. If your statement is correct that no means test is applied with the exception of section 13 then I think there is every justification for saying that a soldier who has a piece of land with a mortgage on it should be entitled to obtain the full benefits of the Act even though the farm is a good one.

You stated that if the farm is a poor one, or his assets are very low, he would probably be able to come under section 9 of the Act, but again I refer you to the case of that veteran from Munson where the recommendation was made by the local supervisor that he be allowed to come under that section and you refused to allow him and forced him to go under section 13. Therefore I argue that section 13 is being used against soldiers at the present time where it should not be used. Certain cases are apparently being dealt with now under section 13 where the soldier should be getting the full benefits of the Act.

I wonder what the effect would be if we cancelled section 13. I cannot see that a soldier would lose anything by it. It would mean that any soldier who had a farm with a mortgage and who wanted some stock and equipment could apply for the full benefits of the Act. In that case his farm would be sold to the veterans' administration and he would be able to get \$4,800 for his farm and he would be able to get \$1,200 in stock and equipment.

The CHAIRMAN: There is just one point there. He might not want to be tied up for ten years for the sake of getting a loan to tide him over temporarily.

Mr. QUELCH: I would suggest that if the soldier had a substantial farm and only needed a small loan he would not need to come under this Act at all because he could get a loan from the bank or under the home improvement plan which we have on the statutes.

The CHAIRMAN: But if this is here it gives him an added place to go for a loan without tying himself up for ten years.

Mr. QUELCH: Yes, but the trouble is that as long as you have that here soldiers are being deprived of the \$2,300 grant who should not be deprived of it. I know that the superintendent stated that only a small number of soldiers have gone under section 13. My argument is that there would be far more going under it if it was not for the fact that they feel they do not get any benefits under it. All they can do at the most is get a reduction of interest of $1\frac{1}{2}$ per cent. Mind you, in the past it has meant they have lost their re-establishment credit, but since we have amended the War Service Grants Act to say that a soldier can still get his re-establishment credit and go under section 13 I think you may find that possibly the number of applications will increase. I cannot visualize any case where a soldier would be penalized if we wiped out section 13.

Mr. HARRIS: I have not followed your argument except this morning, but if a soldier took the benefits of section 13 would he be barred for the remainder of the ten year period in which he has to elect after paying off his loan from then taking the benefits under the other section?

Mr. QUELCH: Section 13 is only to cover that soldier who is not able to go under section 9 of the Act.

Mr. HARRIS: I have not looked it over thoroughly.

Mr. QUELCH: Section 13 covers the case where a soldier has a farm with a mortgage on it and he wants to pay off that mortgage. Instead of being able to get the full benefit of the Act which gives him an outright gift of \$2,320

he will merely get a loan at $3\frac{1}{2}$ per cent and he does not get one single dollar of grant.

Mr. HARRIS: I do not see anything in section 13 that says this is in substitution for the other.

Mr. QUELCH: No, but the trouble is that is what is happening. I brought a case to the Calgary office of a veteran from Munson where the farm was valued at \$6,000 or maybe more. Mr. Murchison suggested that it must be worth at least \$6,000 there. He had a mortgage of over \$3,000. He applied to come under the full benefits of the Act. A recommendation was made to that effect but the ruling at Ottawa was that he had to come under section 13. I cannot see why a soldier with an equity of \$3,000 in a farm should be debarred from the benefits of the Act while a soldier with \$4,000 in bonds or maybe \$10,000 in bonds can get the full benefits of the Act.

Mr. HARRIS: I can well see situations where men do not want to take the benefits of the Act now for many reasons, but if a man has a mortgage on a farm and is able to borrow under the Act to pay it off, and can still look forward to the balance of his ten year period in which to elect, then he could take the benefit under the other provisions of the Act in acquiring another farm.

The CHAIRMAN: Meanwhile only paying interest at $3\frac{1}{2}$ per cent.

Mr. HARRIS: Quite so. Perhaps in five years time he will be able to pay off the existing loan and acquire his father-in-law's farm under the other terms of the Act. I should like to know if he is barred from doing that in the future if he now accepts a loan under section 13.

The CHAIRMAN: There is nothing in the Act that says so.

Mr. G. MURCHISON, Director, Soldier Settlement and Veterans' Land Act, *recalled*.

The WITNESS: There is nothing in the Act to prevent it, but I think, Mr. Chairman, that the committee will agree with the reasoning that once a man's re-establishment under this Act, whether it is under section 13 or under section 9, has been carried to a reasonable stage that you should not go so far as to say under section 13 you would give a man a maximum mortgage loan of \$4,000, and then turn around and bring him under section 9 and give him another loan to the maximum of \$6,000. It was never the intention of the Act to disburse money in those amounts for those two purposes because if section 13 alone is sound and his land is a sound farming unit and he is given a loan under that section of the Act we must assume as administrators he has been re-established in agriculture. If his farm is a sound agricultural unit and he cannot be reached under section 13 because of the amount of encumbrances against it in relation to its value then, as I pointed out yesterday, we can bring him under section 9, and we are doing that.

By the Chairman:

Q. Would you deal with the point of the effect of the repeal of section 13? You are an administrator. You know what the effect would be as suggested by Mr. Quelch.—A. Of course, you can go to some rather extreme cases. For instance, there is the case of the veteran who holds clear title to a good farm and whose requirements consist of the purchase of stock and equipment to replace the chattels he sold when he enlisted. That is all he needs with which to recommence farming. If we were to buy that farm from that veteran at its value—we would assume it was \$4,800—where do we go from there? Having paid the man for the farm do we then sell it back to him for the amount of assistance he needs, and what assistance? He does not need any assistance for land; all he wants is stock and equipment. Therefore there is no basis for a sale there unless we are going to put up some fictitious figure of \$100 for the

purpose of a contract although we have bought the land from the man for maybe \$4,800 and then given him a grant of \$1,200 for stock and equipment. To me that would be carrying the philosophy underneath to a rather extreme stage. That could happen.

Mr. QUELCH: That is what happened under the Soldiers' Settlement Act. I settled under the Soldiers' Settlement Act after the last war. I owned the place. It was not a question of buying the place from the board. I sold the place back to the Soldiers' Settlement Board under an agreement of sale for certainly less than half its value because that is all the money I needed. I had an agreement of sale for \$3,000 on a place which was worth at least \$6,000, but I did not object to that because I wanted the money and intended to pay it back. The Soldiers' Settlement Board had double the security they really required. Under this Act it is exactly the same thing. They would have exceptionally good security. If a man was honest in his intention to pay the money back he would not object to the settlement board having security against his place for an amount of money far less than the actual value of the place. Again I would suggest that if a soldier were in the circumstances suggested by Mr. Murchison of having a very good farm, practically everything he needed with the exception of some stock and equipment, he could probably just go to the bank if he only needed the money for one or two years. He could go to the bank and he would only pay a very small penalty for borrowing the money from the bank instead of under this Act if he is going to be able to repay it in a matter of a couple of years. If on the other hand he is not going to be able to pay it back in a couple of years and it is going to take him ten years then he would be better to go under section 9 and get the full benefits of the Act, the \$2,300. His debt would be \$2,300 and less than it would be otherwise.

The CHAIRMAN: Before you answer that the minister has to leave and he wishes to make a statement.

Hon. Mr. MACKENZIE: It has to do with one point which I think you discussed just the other day. It has nothing to do with the Land Act. It is the question of pensions of dependents of Canadians who have served in other commonwealth forces. That has been approved in principle. That has been dealt with. Would there be any objection to having an order in council passed without waiting for the further deliberations of this committee?

The CHAIRMAN: The reason for that is that with the best of intentions in the world it is doubtful if we would reach the Pensions Act this session. These dependents of soldiers who joined other commonwealth forces are in very bad circumstances in many cases because there has not been provision yet to bring the allowances to dependents up to the level they would get if they joined Canadian forces. Owing to the congestion the only way it can be done is to do it by order in council. As I understand from the minister he desires to know if the committee would have any objection to having it dealt with by order in council pending our taking it up in the Pensions Act.

Mr. GILLIS: Does that include Canadian nationals serving in the R.A.F.?

The CHAIRMAN: Yes. It is to bring in people who are domiciled Canadians on enlistment where they went into any other force. It has to do with the dependents of Canadians serving in allied or commonwealth forces other than those of the United Kingdom. As I understand it the United Kingdom is already taken care of but it is to take care of those who joined the Australian, Norwegian or Polish forces. They are in a very difficult position now. The idea is to bring their pension rights of dependents, and so on, up to what they would have been had they joined the Canadian forces. As was pointed out the other day in the committee they were more or less encouraged to go into these forces where they could not speak English in order to help bring these forces up to strength. It was easier to train them if they did not know English. Now the suggestion is that they be given the same pension rights if they were

domiciled in Canada before enlistment. Personally I am very happy to know it is proposed to look after them, but out of courtesy to the committee the minister has been good enough to suggest that it is the intention to do that by order in council if there is no objection.

Mr. GREEN: Do you wish a motion that we approve of such a measure being put through?

Hon. Mr. MACKENZIE: Yes.

Mr. GREEN: Not that we approve of legislation by order in council.

Hon. Mr. MACKENZIE: Reserving all your rights.

The CHAIRMAN: I may take it there is no objection from the committee.

Hon. Mr. MACKENZIE: This is the proposed motion, in regard to what you have already done, which is to go on the order paper:—

That it is expedient to present a measure to amend the War Service Grants Act, 1944, by incorporating in the measure the provisions of certain orders in council passed under the War Measures Act and by extending and clarifying in several other respects the application and operation of the Act, as recommended and reported by the Special Committee on Veterans Affairs.

If that is agreeable to the committee, I will put it on the order paper.

Mr. GREEN: May I ask if the cabinet rescinded that order in council yet?

The CHAIRMAN: I have not made inquiries, but I shall do so. I think they have been very busy, as a matter of fact.

I wonder, for the purpose of the minutes, if it would not be a good idea to have it on record that we approve of the proposed suggestion to deal with this matter?

Hon. Mr. MACKENZIE: Yes.

The CHAIRMAN: And the clerk will draft a motion that we approve the suggestion of the minister that it be dealt with by order in council pending our being able to deal with it in committee. It is moved by Mr. Green and seconded by Mr. Herridge or Mr. Bentley, I am not sure who was first.

Motion agreed to.

By Mr. Quelch:

Q. I should like to try to clarify this thing. Is the superintendent prepared to reiterate his statement that there is absolutely no means test applied to a soldier when he applies under section 9; that is, no matter what amount of capital he has he can still come under section 9? That is contrary to my understanding. I was told very definitely if the soldier had a substantial equity in the form of money or bonds he might not, that he can be ruled out from going under section 9. —A. I need only read section 9, subsection (b) which is "that the veteran has paid to the director 10 per centum of such cost and the entire cost price of land, improvements and building materials in excess of six thousands dollars". It is certainly contemplated that veterans would be established on farms to a cost or value in excess of \$6,000, but in that event they would have to pay the difference between the price ceiling and the cost of the land at the time it was established. It would be very difficult for the administration to draw some arbitrary line through that section and say that we are not going to allow a veteran to use more than \$1,000, \$2,000 or \$3,000 of his own money to buy a farm of a type that we cannot reach under the ceiling in the Act. So therefore, as I say, we cannot apply a means test. There is, of course, the means test in the other direction, that the man must be able to make his down payment of 10 per cent as prescribed by the Act itself, with respect to that part of the cost

price borne by the director. But above that, for the excess purchase price, there is no means test.

Turning back to section 13 again, if I may for a moment; I do not want to get into a controversy on this matter, but I do suggest to Mr. Quelch that if this section were deleted and all these cases brought under section 9, there would be considerable administrative difficulty and it would not always react to the benefit of the veteran concerned; because under section 13, for instance, if the value of the land is there we can advance up to \$2,500 to a veteran for the purchase of chattels. Under section 9 we are limited to \$1,200. That is a feature that I think is worth keeping in mind when you are considering washing out this section altogether. As I said yesterday, the majority of these cases will come under section 9 anyway, because their land is not of a value which will permit us to make a loan of an amount that will bring about the man's sound re-establishment on his own property. There is a further point that seems to be emphasized by Mr. Quelch, and that is apparently that this \$2,320 is a more or less standard grant. That is not so, gentlemen.

MR. QUELCH: The maximum.

THE WITNESS: That depends on the cost price of the land. We have established veterans on land very soundly where the cost price of the land and buildings does not run over \$2,500 or \$3,000. These men are perfectly well established. So in cases of that kind, there is not a grant of \$2,320. There is approximately 24 per cent of the cost of the land and 100 per cent of the cost of the chattels up to \$1,200. That whole grant on behalf of a man in those circumstances might be \$1,600, \$1,700 or \$1,800; so that this \$2,320 should not be regarded as some automatic thing that applies in every case. It is merely the maximum that is available when the ceilings in the Act are reached.

I suggest, Mr. Chairman, since only thirty odd veterans have thus far been assisted under section 13, that there has been no wide area of injury done to any one; and probably when we have a little more experience with this Act, when we are in a better position to come back to a parliamentary committee and indicate the number who have been brought under section 9 notwithstanding that they were possessed of property of their own, then I think the committee will be in a little better position to judge whether this important section of the Act should be deleted. After all, it does provide a means for a veteran possessed of a good property, where his requirements are modest, to obtain a mortgage loan at a low rate of interest, to also use his re-establishment credit; and he is not tied up for 10 years as to what he is going to do with that property. These things have value in the minds of veterans who are possessed of outright property. They do not want to tie it up for that period of time. I do feel that we are endeavouring fairly to administer the Act along the lines which will take under section 9 those cases which, on any decent basis, cannot properly be handled under section 13.

By Mr. Harris:

Q. I should like to ask a question as a result of Mr. Quelch's objection. If a man comes to you who owns land and still wants to take the benefit of section 9, in this one case apparently he was not allowed to do it. What is the answer to that? If not, why not?—A. Speaking purely from memory, I believe we have a case or two already where men who were already possessed of a parcel of clear-title land have been assisted under section 9. They have no encumbrance against their land. There was nothing to be moved. We merely want to buy another piece of land. Going back to the question of a means test, there is a first class example that we do not apply a means test against a man who owns a parcel of land with clear title and wants to increase the size of his farm, simply because his assets were in the form of a piece of land as compared with another man whose assets are in the form of a bank account or victory bonds.

Mr. QUELCH: Mr. Chairman, I have an amendment that I think will cover the whole thing. I am very glad that the director has definitely stated that no means test is to be applied, because that will help all of us who have heard of cases where it has been suggested that a soldier should not get the benefit of the Act because he has a substantial equity in money. That covers that point. So far as the veteran is concerned who only needs money for machinery, this section may have been necessary back in 1942 but since then we have passed a statute which makes it possible for a man to borrow money from the bank at 5 per cent, so if he benefits under this it would be only a question of 1½ per cent. I think your statement that only 30 have applied shows that the soldiers do not see very much benefit in this section or more would have applied, because there are certainly far more than 30 veterans who own land who have come back to Canada and who would like to get a grant of \$1,200 if they could, but they know they cannot under section 13. I suggest rather than wiping out section 13—inasmuch as Mr. Murchison says some might want to come under it—that we should make it optional on the part of the veteran, so that the veteran should be allowed to come under section 9 or section 13 at his own discretion and that would cover the whole thing.

Mr. BENTLEY: I will second that.

The CHAIRMAN: He has that right now.

Mr. QUELCH: But he has not because they are being refused. I have not the letter with me but I have seen it. I have seen the actual letter in which a recommendation was made to come under section 9 and it was turned down by Ottawa. I am not dealing with any hypothetical case. I am dealing with an actual fact. So it is not fair to say that a soldier can come under section 9 if he wants to, because they are being refused. Maybe this is only one case. I do not know. But I should imagine if there has been one, there have probably been more. Mr. Chairman, if you say it is optional then you can have no objection to putting in there that it is optional, and then there can be no argument in future.

The CHAIRMAN: I do not know how you could make it optional. I am trying to understand what Mr. Quelch is trying to get at. When you say it is optional, then you suggest that anybody who applies for benefits under this Act is bound to get them.

Mr. QUELCH: No. There may be other cases that are not entitled.

The CHAIRMAN: The reason why this case you mentioned was turned down—that is the trouble with individual cases where you do not know the facts—was probably that for some reason or another they did not see fit to do it.

Mr. QUELCH: Because he had land.

The CHAIRMAN: Was that in the letter? If that was in the letter, it is directly contrary to the evidence of Mr. Murchison, as I understand it.

The WITNESS: I do not think so, Mr. Chairman. I am sorry I have not got the file here; but I am convinced that this is what happened, that the value of the land in relation to the amount of assistance the veteran required to re-establish him on that farm could quite properly be done within section 13 as it reads, and that there was no justification there in the minds of the local administration that that is a case that should be brought under section 9, because the value of the land was probably, having regard to its location, somewhere around \$6,000. The man may have wanted \$3,000. Certainly that is what this section of the Act means, that we can make a loan up to 60 per cent of the value of the land. In that case we could make a loan of \$3,600 on that man's farm and still be perfectly sound mortgage loan; and that is what that section of the Act was put there for.

MR. QUELCH: If he could have got under section 9 and could have got \$4,800 for the land and \$1,200 for stock and equipment, the \$2,320 in that case would have been an outright grant. In view of the fact that he applied for it, it shows that he wanted to do so.

THE WITNESS: Well, it is a matter for the committee.

MR. QUELCH: If you make it optional, it would cover the point.

THE CHAIRMAN: I myself do not understand Mr. Murchison, how you decide between a case like the one Mr. Quelch is referring to and another case you mentioned where they take the land back and re-sell it. How do you decide between those cases?

MR. HARRIS: Excuse me a moment. Mr. Murchison did not say that he has had any case in which a man owning land of an appropriate value with clear title has got the benefit of section 9. What he did say was that when a man chose to acquire more land, they gave him the benefit of section 9 to acquire additional land. I should like him to discuss the case of trying to get under 9 on his own land that he owns without acquiring other lands.

THE WITNESS: I think I covered that point yesterday. Here is a hypothetical case—since it seems to be based on hypothetical cases—of a man who owns a parcel of land worth to-day \$4,000. On that farm he requires a new building or repairs to existing buildings say to an amount of \$1,000 or \$2,000. He also requires \$2,000 to re-equip with stock and equipment. In other words, the man needs \$4,000 to resume farming on his own land. We cannot touch that case under section 13 because we are limited to a loan of 60 per cent of the present day value of the land.

MR. QUELCH: But he could still get machinery.

THE WITNESS: \$2,400 is the maximum loan we can make, and that would not bring about that man's sound re-establishment on that land. So we take title under section 9 or section 7, carry out the improvements necessary to the farm, sell it back to the man under section 9, and he makes his down payment of 10 per cent and we give him up to \$1,200 worth of chattels. That is the only practical way we can handle it. There is nothing new about it, Mr. Chairman. There were many loans made under the Soldier Settlement Act where a privately-owned property was converted to a purchase for exactly the same reason, because we could not reach him under the removal of encumbrance section of the Soldier Settlement Act. I simply say if you wipe out section 13, I do not know what you are going to do with the man who comes to you with clear title of the land and merely wants a loan for stock and equipment. There is not anything there to form a basis of a sale of land to the man unless he goes out and buys a new parcel of land.

MR. BENTLEY: The amendment does not wipe out section 13.

MR. QUELCH: The proposed amendment is to the effect that where a soldier prefers not to take advantage of section 9—that would be the idea—the director may make an advance. Then I think you will cover everything.

THE CHAIRMAN: Mr. Brooks, you were interrupted in something you were going to say?

MR. BROOKS: It is all right.

MR. BENTLEY: I think Mr. Quelch's fear is well taken, that there will be a tendency on the part of the superintendent to encourage applications under section 13 as against section 9. Why not give the veteran full information of both and let him decide which he will take?

THE CHAIRMAN: It seems to me that those who are urging this are missing one point. Apparently the only case, as I understand it, where the veteran can go under section 9 and have his own land included is where he is going to buy some land or where it is necessary to spend money in making

that particular land he owns a good farming proposition. But if his land or his farm already is a good farming proposition, and there is no need to spend any money on it—no need to improve it, no need to do anything about it—to turn over that land and buy it back would be just a way of trying to give him a grant. There would not be any justification except an attempt to give him a grant. The director has said, and I think it is right, that it was never the intention that there should be a minimum grant in all cases of \$2,320, but that it is based upon the necessity of establishing the man as a sound farming proposition. If there is no necessity for that, he has no right to demand it. The suggestion of Mr. Quelch is that a man who does not need that grant should still be able to demand it, even though by getting a loan on his land at 3½ per cent interest he could become a good farming proposition. That, as I understand it, is the suggestion; and I draw the attention of the committee again—

Mr. BENTLEY: You are missing one very important point, Mr. Chairman.

The CHAIRMAN: What is that point?

Mr. BENTLEY: The fact that the man could have money in the bank, to the amount of \$10,000 or \$15,000, or bonds or some other investment and still get that grant.

Mr. WOODS: Mr. Chairman, I would respectfully direct the committee's attention—whether Mr. Murchison imposes a means test or whether he doesn't—that there is not any doubt that the Act was intended to enable the acquirement of farms and to create an equity in farms for those veterans who did not have any and who could not afford them. In the preamble of the Act there is this wording: "And whereas the great majority of prospective veteran settlers have limited financial assets and the lack of such assets has proved to be the main obstacle in the fulfilment of settlement contracts and to the acquirement of farm home ownership." This provision enables those who lack them to acquire farms. That is undoubtedly the spirit behind the provision and that is set forth in the preamble.

Mr. BENTLEY: That is very true, and there is no question about it it is a good spirit to have behind it. But the fact remains that because a man has land, you can apply that type of means test which that implies there; whereas if he has hidden reserves that you cannot find very readily unless you make an extreme examination, that man can come in. That is what Mr. Quelch is trying to get at.

Mr. QUELCH: Yes. Moreover, the chairman has presented a case that I do not think would ever occur. He talks about the case of a soldier who has land that is in such perfect shape that it does not need any money spent on it. Imagine a soldier who has been overseas for 4 or 5 years. In his case it is not going to be in that shape. When he comes back he has got to spend several thousand dollars to get the farm back in good shape.

The CHAIRMAN: Then he can come back under section 9.

Mr. QUELCH: Not necessarily because that is the case of the Munson boy. Every farm in western Canada—even the good farms—needs to have capital spent on them to bring them up to the point where they should be improved. I think that would be true of 90 per cent of the cases. Go around to the good farms in western Canada and you will find that many improvements are needed which the farmer does not feel financially justified in carrying out at the present time.

The CHAIRMAN: He may not want to tie himself up for ten years to get them.

Mr. QUELCH: Make it optional, so that he can do it if he wants to. Put the word "may" in there. "The director may..." where the veterans prefer to take advantage of section 9. Then there is no question of trying to tie

somebody else up who does not want to be tied up, and you are putting that farmer on a par with the soldier who may have capital. I do not see why we should take the stand that because a farmer has land he may be debarred from the benefits that another soldier who is far better off financially is able to get.

The CHAIRMAN: I have tried to follow this. It comes down to this, that you are asking for the means test.

Mr. QUELCH: No, I am not.

The CHAIRMAN: That is the effect, because if you say that everybody is to get \$2,320, no matter how well off he is in regard to his land and his whole situation—

Mr. QUELCH: I am not saying that everybody should get \$2,320; I say that every veteran who wants to should have the benefit of section 9 which may mean \$1,200, \$2,000 or \$2,300, depending upon the type of land he gets.

The CHAIRMAN: That is not the spirit of the Act. It is to help veterans who have limited financial means of getting established. It is a sound proposition. Now, if in the opinion of the administration and these advisory committees this man does not need anything except a loan then why should he have the right to demand \$2,320? He is still going to get his re-establishment credit the same as people in the cities. Why should he be able to demand so much more than, perhaps, somebody who is a janitor in the city? What right has he got, because he happens to be willing to go into farming, to demand so much more than somebody who is being discharged in the city? The moment you grant that he has the right to demand that then where are you going to put the people who are discharged in the cities?

Mr. QUELCH: He has the same right as any other soldier who has money in the bank or in the form of bonds; he may not be very well off financially. A person who has got \$6,000 is not considered to be a wealthy man and yet he can come under the Act; yet a man with a \$3,000 equity in his land may, under section 13, be debarred and I think in some cases he is being debarred. It seems to me that we should make it optional. I am not saying that everybody can demand \$2,300. We are only giving this man the right to come under section 9 instead of under section 13, and it seems to me that the amendment wipes out all the argument against it.

The CHAIRMAN: There are two sides to this proposition; it is like a contract: a man may want to come under section 9. There is the question of the advisory committee and the director.

Mr. QUELCH: You are presenting arguments that contradict one another. First of all, we are told there is no means test. Now, in order to avoid our argument we are told that here may be a means test and we are told that few soldiers want to come under this section. When we introduce an amendment saying that they should not have, to come under it, it is said that they should not be refused the right to come under it. I say that we should be consistent in our arguments. Say what you mean and stick to it.

The CHAIRMAN: I am going on the basis of the Act and the spirit of the Act. Take the case of a man who has a piece of land that is, say, a half-section. In our district that would be worth \$10,000. In our district I know soldiers who have a half-section of land like that, and there is nothing that needs to be done in order to make that land a good farming proposition because it is being farmed. That man is being discharged from the army. I know several of them, and all they need is to get machinery.

Mr. QUELCH: There is a statute on the books that makes it possible to get a loan at 5 per cent now.

The CHAIRMAN: Yes. I think it gives them the right to get money at $3\frac{1}{2}$ per cent. Why should we take that right away? I cannot see any purpose in it. They can repay this loan at any time, and they are not tied up for any longer than until they have the money to repay. Now, are we to say to that man who comes out of the army that even though all he needs to establish himself as a sound proposition is a loan to get equipment to the extent he needs it, nevertheless, we are going to let you do a little bit of juggling under section 9 if you want to whereby you will get \$2,320. What is his pal who is discharged in the city going to think of that proposition? All we do under the Act is to say we will help that man to get re-established as a sound farming proposition, and if he comes under section 9 he is put under section 9. But if he does not need this help there is the right of the director to say that he can come under section 13.

Mr. BENTLEY: Right away that is the means test.

The CHAIRMAN: Do you suggest, or is it suggested by this committee, that whether he needs it or not to get re-established as a farmer, he should have the right to come under the section and that gives him \$2,320?

Mr. BENTLEY: I am suggesting that the director told us there was no means test applied, and you are suggesting that the means test be applied.

Mr. QUELCH: What would the other individuals say? They would say exactly what they are saying today: why did we not make the same benefits available to them that are made to the man who goes on a farm? The man who is going into a small business is making that charge today. I think he has got a good argument, and we should make the same thing available to the man who wants to go into the tourist business or some small business.

The CHAIRMAN: I think when we get through this Act we might do something like that as soon as possible. We are discussing it all the time. The moment we get through with this Act we will certainly start discussing this matter of loans to professional men and business men. Under this Act we give the right to the farmer to get money at $3\frac{1}{2}$ per cent; why should we take that right away?

Mr. QUELCH: I think it debars some from having the advantage of section 9; therefore, I will move an amendment to this effect: that after the word "may" in the first paragraph, the following words be added "the director may, where the veteran prefers not to take advantage of section 9 . . ."

Mr. BENTLEY: I will second that.

The CHAIRMAN: You have heard the amendment. All those in favour of the amendment raise their hand?

The amendment was lost.

The CHAIRMAN: May we carry the section?

Mr. QUELCH: There is one other question where a soldier comes under this Act—not necessarily this section, but some part of the Act. He has a certain amount of equipment. Is it the practice to ask that veteran to give to the board security on the equipment that he already owns?

The WITNESS: No.

Mr. QUELCH: That is definite in all cases?

The WITNESS: That has never been done thus far under this Act.

Mr. QUELCH: I had a case referred to me by another member. I do not know the case personally. He gave me the name of a farmer in Saskatchewan who, in order to come under the benefits of this Act, had been forced to give security on some of his equipment.

The WITNESS: We will not take security on a man's chattel if there is a 10 per cent deposit. We are working on the basis, Mr. Chairman, under this

Act that our mission is to enlarge rather than diminish the ownership of any veteran in his property.

The CHAIRMAN: May we carry that clause?

(Carried.)

Mr. PEARKES: Mr. Chairman, may I raise a question in connection with a remark which was made by the director yesterday and there was not time to discuss the subject owing to the early adjournment. I refer to his remark that he had applied to the Department of Mines and Resources in order to make land now held under the Department of Veterans Affairs available to the veterans but had met opposition—I refer to Indian lands. I feel that if the director believes there is certain land which should be made available to the veterans which is held by another department and that he meets opposition it is the duty of the committee to assist him in overcoming that opposition. I know of places on Vancouver island where there is land held on Indian reserves where only a very small fraction of that land is occupied by the Indians, and a much smaller fraction of that land is being utilized by the Indians for agricultural purposes, and I refer particularly to a number of Indian reserves which surround the town of Duncan. Only a very, very small portion of these reserves is used by the Indians for agricultural purposes, and the same thing applies to the Indian reserves which border the harbour of Esquimalt, just outside of Victoria. That land should be eminently suitable either for small holdings or for agricultural purposes. The coast Indian is quite different from the prairie Indian. For instance, the Blood Indians in Alberta are either agriculturists or ranchers. The coast Indian is never an agriculturist. He is interested mainly in fishing and trapping, and he only lives on his reserve for a very short time during the year and then he goes away. He makes no attempt whatever to develop the land, and the land which he now has is growing up in weeds and bush. It would be ideal land for veterans to settle upon. I feel that if the director has made representations and has met with opposition then this committee ought to assist the director in trying to acquire land which would be of benefit to the soldier settler, and I will ask him if he can suggest any way in which this committee can help him in supporting the representations he has made.

The WITNESS: Mr. Chairman, I would not like to leave any erroneous impressions in the mind of the committee as to opposition by the Department of Indian Affairs. The opposition from the Department of Indian Affairs stems, of course, from opposition on the part of the Indian band concerned with a particular reserve. Quite frankly, I do not know just what assistance the committee could give other than by registering in its report the opinion that the Department of Indian Affairs use its best offices toward having the Indian bands concerned agree to fully or partially release on the Indian reserves, lands which are not being utilized for the advantage of the Indians concerned. I think, Mr. Chairman, it is quite a touchy question. I know myself of reserves such as Mr. Pearkes has mentioned which are not being utilized to any apparent advantage; nevertheless, when one examines the Indian Affairs records with respect to these lands you will likely encounter an area of interest in these lands by more Indians than are actually living on that particular spot. The land is controlled by a certain band, and unless the band council is prepared to agree to a release I feel a little doubtful that any progress can be made. However, anything that the committee could recommend along these lines would at least be helpful, and I suggest that the committee's recommendation might be given added weight by reference to the arrangement which has already been made to provide Indian veterans with a grant of \$2,320 with which they may establish themselves on their home reserves. That is the next section coming before this committee, and I think there is at least a bargaining instrument there that should commend itself to an Indian band with a view

to the possible sharing-up of some of their surplus lands with Indian veterans. I think that it is entirely a matter for Indian Affairs to decide, of course, but I feel that any recommendation this committee can make will do no harm and I do think it would probably do some good.

Mr. BROOKS: Mr. Chairman, it is not often I disagree with General Pearkes, but I think there is a very broad principle involved in taking lands from the Indians. As a matter of fact, we have taken the whole country from them and now we keep squeezing them into reserves here and there. If we, at this stage of the game, try to take what is left from them I am sure that all across Canada there would be a very strong feeling against such action. My opinion is that surely there are lands enough in Canada to settle our veterans upon without taking these lands which the Indians have. We all know that the Indian is not a good farmer and possibly he does not make the best use of his land; but as far as I am concerned I would be very much opposed to taking any further land from the Indians whether in British Columbia or in any other part of Canada. I think the Indians have been used rather badly as it is, and I would leave them what they now have.

Mr. HARKNESS: I should like to support Mr. Brooks. I think that any idea on our part of recommending a further raid upon Indian lands would be badly received, and while there are some reserves on which Indians are not making use of the land at the present time, the purpose of the Department of Indian Affairs is to encourage Indians to make use of these lands and in some cases there are reserves where they have not sufficient land left to accommodate the Indians living on these particular reserves. Because at present there are some reserves where the land is not being made use of I do not think is a good reason for us to try to get those lands for white veterans. Rather than that, I think in those cases we should do what is possible to get Indians to make use of those lands themselves.

Mr. PEARKES: The situation as regards the prairie provinces and Vancouver island is entirely different, both as far as the land is concerned and as far as the type of Indian is concerned. The Indians on Vancouver island are fishermen primarily and they are not concerned with the development of farming pursuits, and I should like to refer this matter to the steering committee to see whether an appropriate time could be found to bring in a resolution along the lines suggested by Mr. Murchison.

Mr. McKAY: Mr. Chairman, are we back again on the subject of the availability of land? If we are, I should like to mention something with regard to the submarginal lands in central Saskatchewan. That subject has not been discussed yet.

The CHAIRMAN: I think we should try to stay with the section. This matter was brought up by Mr. Pearkes yesterday, and my own feeling about this question of Indian land is that we have made treaties with the Indians and the Department of Mines and Resources is charged as trustee with seeing that Indians are protected. Of course, our department, if they find the land is not being used, will naturally try to make an agreement, but it must be by agreement subject to all the protection that has been cast around the Indians as suggested by several of the members. I think the committee may take it that the director is searching out every possible means of providing the necessary land for veterans.

The next clause of the bill which we will consider, clause 5, indicates that in co-operation with the provinces that is being done. It provides that if a province has picked out a piece of land that needs a great deal of clearing and will undertake to arrange to help to have it cleared then the dominion government will assist in that project. It seems to me that is a very splendid clause of the bill. I think that Saskatchewan is very much interested in this particular clause

because it is hoped to clear some very heavy bush land. Then the settler does not have to try and clear it himself unaided. I think clause 5 is a splendid idea. It provides for an agreement being made with the province to enter into a scheme like that whereby the settler can enter on such land with a real chance without spending a lifetime of heart and back breaking work to provide a home for himself. I suggest that there is that searching out to provide land that has been mentioned by the hon. member. We are actually on clause 5.

5. Section thirty-five of the said Act is repealed and the following substituted therefore:—

35. (1) The Minister may, with the approval of the Governor in Council, enter into an agreement with the government of any province for the settlement of veterans on any provincial lands that the provincial government may *recomend* as being specially suitable for settlement by veterans.

(2) *An agreement entered into pursuant to subsection one of this section shall contain such terms, conditions and limitations with reference to settlement of veterans as the Governor in Council may approve.*

(3) Subject to the regulations made under this Act the Director may grant an amount not exceeding two thousand three hundred and twenty dollars to a veteran who settles on provincial lands pursuant to an agreement entered into under subsection one of this section.

(4) A grant made pursuant to subsection three of this section shall be used only for one or more of the following purposes:—

- (a) the purchase of essential building materials and other costs of construction;
- (b) the clearing and other preparation of land for cultivation;
- (c) the purchase of essential farm livestock and machinery;
- (d) the purchase of machinery and equipment essential to forestry;
- (e) the purchase of commercial fishing equipment;
- (f) the purchase of trapping or fur farming equipment but not breeding stock; and
- (g) the purchase of essential household equipment.

(5) A veteran who has received a grant under this section shall not be entitled to enter into a contract with the Director under section nine or section thirteen of this Act, and a veteran who has entered into a contract with the Director under section nine or section thirteen of this Act shall not be entitled to a grant under this section.

Mr. BENTLEY: Could I have the indulgence of the committee? I do not know where else to do it. I want to do it somewhere and ask a question of the director. It is really not applicable to land under this section.

The CHAIRMAN: I wonder if we could defer it. Is it very urgent?

Mr. BENTLEY: I am satisfied as long as I can get the question asked some time while the director is here.

The CHAIRMAN: When we get the bill through.

Mr. HERRIDGE: Are we on clause 5?

The CHAIRMAN: Yes.

Mr. HERRIDGE: I was very glad to hear you say that you considered this was an important section because I have found in some quarters people consider it is a minor section. I would predict this will be one of the most successful sections of the Act when it is put into effect. In British Columbia the greater part of our provincial lands are heavily timbered or partly timbered. I find that there is a large number of veterans, particularly in my own district which

is a heavily timbered district who want to combine small farming operations with lumbering, mining, trapping or prospecting. Many of them would prefer to enter under this section free of debt than to go under the other sections of the Act.

By Mr. Herridge:

Q. I should like to ask the director why there has been such a delay in entering into agreements with the provinces to give effect to this section of the Act? I have one other question afterwards.—A. First of all this section of the Act took the form of an order in council under the War Measures Act early this year. Negotiation in connection with it commenced at a meeting in Ottawa last January which was attended by senior representatives of all the provincial governments during which the whole idea was quite fully explored. If my memory is right I believe the order in council was passed late in March. Since then we have been moving as rapidly as the provinces concerned are prepared to move in completing the necessary agreements. Thus far agreements have been completed with the prairie provinces. They are under negotiation now with the province of Ontario and the province of Quebec, and I am hopeful at an early date to reach an agreement with the province of British Columbia.

I might say that a rather unique situation has existed with respect to provincial lands in British Columbia for approximately two years. That situation commenced with an offer by the premier of British Columbia to make available a million acres of provincial land for the settlement of Canadian veterans, but when they reduced it to statutory form they inserted a condition that none of these lands included in the million acres were to be used for the settlement of other than veterans who derived from the province of British Columbia. I do not question the idea at all behind that restriction but I am sure it will be apparent to everyone here that with a million acres of quite heavily wooded land, the great bulk of which is located in the northern interior part of British Columbia, settlement of all that land by veterans of British Columbia alone would present quite a little difficulty, first for the reason that the number of enlistments from the areas where these lands are situated is relatively small, and secondly because veterans in the southern part of British Columbia, and particularly around the area of Vancouver and the Fraser Valley, are living in an entirely different world, if I may use that term. It is an entirely different climate; it is an entirely different set-up altogether.

Therefore we would have to rely on large numbers of veterans from the lower mainland or southern interior going up north to settle on this land. We have not thus far been able to find any large area of interest in the minds of veterans of southern British Columbia in moving up to the more northerly areas such as Prince George, Telkwa, Vanderhoof, Smithers, and so on. That was one difficulty.

The second difficulty was in connection with the development of that land to a productive basis. The original concept in the mind of the premier of British Columbia was that these lands would be cleared, developed and sold to veterans under section 9 of the Veterans' Land Act. I am sure you can see that if we were to undertake clearing operations, putting up homes and carrying these farms to a stage of development we would incur a very substantial cost. I am sure that in the average case we could not carry these developments to a point on these lands where there would be say 60 or 70 acres of land under cultivation and with suitable buildings at a cost lower than approximately the ceiling in the Act, \$4,800. We are quite aware that a great deal of the land in that district would cost anywhere from \$40 to as high as \$70 an acre to clear it.

It was my feeling that in the absence of any large degree of interest on the part of the veterans we should not attempt to carry out such a comprehensive clearing and development program with the idea of establishing large numbers

of veterans in that area on a debt basis because that is what it would mean under section 9. In other words, we would have to expend a minimum of \$4,800 to improve the land. We would have to expend the maximum we are allowed, \$1,200, for stock and equipment to establish a veteran, and he would start off with a contract debt of \$3,600. We felt that as long as we are able to purchase land already developed at considerably less cost than to carry out the development of raw land that we should go very cautiously with that kind of development. I want to emphasize again that up to this stage there has not been any wide area of interest in those lands in northern British Columbia by British Columbia veterans. There are some lands in the southern part of the province in scattered areas which the prime minister of British Columbia has agreed to throw in with the million acres, but I think I am not disclosing any secrets at all when I say that there has been a change in the administration of the lands department in British Columbia. They have a great deal of reviewing to do on their lands that are available for sale. Their records have to be brought up to date.

As a matter of fact, a great deal of new surveying has to be done. I think in a large part of the northern interior the original survey has practically disappeared because they used wooden stakes in the day when that survey was made. Today it would be quite impossible for any one other than a surveyor or a pretty smart locator to find his way around a lot of that country. That is just another difficulty that exists in connection with it.

Therefore we felt that as far as British Columbia is concerned probably there would be a greater degree of interest in the type of provincial land available if something of this kind was incorporated in the Veterans' Land Act which would assist a man to get a toehold in these frontier areas, but on a basis where he would not be assuming any debt. I feel from reports reaching me now confirming what the member has just said that the interest in provincial lands in British Columbia is more marked now since we have this alternative arrangement to establish a man on a piece of Crown land in any one of a variety of ways with a grant of \$2,320 rather than to put him on the basis of paying back a debt.

There has also been a recent political disturbance in British Columbia that has delayed by a few months the negotiation of an agreement. There has been a provincial election out there. During that period I think you politicians will understand why these things are left alone until the atmosphere is clarified, as it were. However, I am in communication with the lands branch of British Columbia at the present time. I am expecting to sit down and negotiate an agreement with British Columbia pretty well following the pattern of the agreements that have already been completed with other provinces.

By the Chairman:

Q. Would you indicate to the committee for their information and for the record the kind of establishment that you would envisage as resulting from the agreement with Saskatchewan, what kind of a set-up the veteran would have?—

A. In Saskatchewan establishment under this section would cover quite a wide range. It would cover establishment on some of the prairie lands controlled by the province. I understand they have a substantial bloc of lands south of Elrose which they are prepared to put into this scheme. These lands will be available to veterans under a lease agreement. The lease will run for ten years under very modest terms. At the end of that period the veteran is to be given the opportunity to purchase that land at a price to be determined. It would also provide for the establishment of veterans on some of the wooded lands of agricultural type, likely in the north eastern part of Saskatchewan where I think the only remaining agricultural lands of any consequence are to be found in that province.

It is a matter of arrangement with the province and veterans, too, as to whether there shall be organized clearing operations on these lands or whether individual veterans shall more or less go it alone with the assistance we are able to provide. It would also enable the establishment of a veteran in northern Saskatchewan even as far up as Cumberland House where we have people who are engaged in trapping and things of that sort. So there is quite a variety of establishment available in Saskatchewan under this agreement.

Q. I thought it had been suggested that the province as part of their deal might enter into clearing operations with very large machinery?—A. Yes, that has been discussed but it has not been reduced, so far as I am aware, to any definite contract form. I have assured Mr. Sturdy, however, that if the province goes ahead with a plan of that kind we will be glad to cooperate in making available a part of this grant to assist in those clearing costs. We must bear in mind, of course, that this \$2,320 can be made available for a variety of purposes such as clearing land, the purchase of building materials, the purchase of live stock and machinery, and so on, so that I would not say it would all be used merely for the purpose of clearing land, but it would be a proper purpose for the use of a part of these grants. If it can be done on an organized basis—and I think it can—that would seem to me to be a sound approach to getting these men established on a firm basis within a reasonable time.

Q. What I had in mind, Mr. Murchison, was that I understood that the province was going to cooperate with the dominion in providing some of the cost of clearing this land with heavy machinery so that it would not have to come out of this \$2,320 grant. Wasn't that the thought?—A. I think there has been some discussion on that by the provincial government but there is nothing to that effect embodied in the agreement with our minister.

By Mr. Harkness:

Q. That is the situation in Alberta, is it not, that the Alberta government is clearing this land and then in effect giving the land to the veteran so that the whole \$2,320 is available for building materials, live stock, and so forth?—A. There is an arrangement to that effect being developed by the province of Alberta for the clearing of land, but where that is done there is a difference in the type of agreement between the veteran and the province. Ordinarily in Alberta a veteran will occupy land under the terms of the Alberta agricultural lease regulations. Under those regulations he may go ahead under his own steam and clear his land. The terms and conditions of those regulations are very moderate. If the province organizes the clearing operations then I believe the arrangement is that the veteran shall pay substantially more rent over a period of years than he otherwise would if he was just operating on his own. There is nothing, however, in that to interfere with the operation of the agreement.

By Mr. Blanchette:

Q. Is there any proposed set-up for the province of Quebec?—A. Yes, I have had one quite satisfactory discussion with representatives of the province of Quebec. The main delay there now is a clarification as between the Department of Forests and the Department of Land. I might say that in the province of Quebec I feel they are working toward a particularly desirable objective with respect to their forest lands. As soon as a few details are cleared up I am hopeful that an agreement will be reached with Quebec under which veterans will be assisted to become established in what are known as forest villages, to participate in the forest industry of Quebec along lines which I am sure are going to preserve the forests of Quebec in perpetuity.

There will also be an agreement for the establishment of veterans on the agricultural lands lying to the northerly part of the province, but I can just say these agreements are under negotiation and I have no reason to feel there is going to be any serious disability to completing them.

By Mr. Brooks:

Q. While we are discussing that point would you tell us what the situation is in the province of New Brunswick? I understand there is an area called the Bluebell section where they are negotiating a set-up for settlement?—A. I have not any recent word from the province of New Brunswick. I had the deputy minister of the department in to see me some months ago. This whole problem was discussed very frankly and they wished to study it and talk it over with their respective ministers, and gave me to understand that when they had reached a decision as to what the province felt should be done, they would let me know. There has not been any word from New Brunswick recently, and I am assuming that they still have the matter under consideration.

Q. Under these arrangements are soldier settlers allowed to go from one province to another? Is there anything to prevent a soldier say in Quebec from going to fill up this area in British Columbia that you speak of or one in New Brunswick from going to Saskatchewan?—A. Well, there would be a difficulty in British Columbia at the present time under their existing legislation. They have ear-marked that land for the use of veterans who derive from British Columbia. So far as the agreements under this section are concerned, certainly there is no prohibition of movement as between provinces. We could not very well as a dominion department recognize any discrimination along those lines. So long as the veteran is qualified by service and satisfies the examining committee that he is a candidate with reasonable prospects for success on an establishment of this kind, he would be considered; and thus far I have not found any of the provinces objecting to that.

Mr. HERRIDGE: Mr. Chairman, what Mr. Murchison had to say in reply with regard to Prince George area was quite right. They have to get land cleared to make a success of farming. In my own district there are a great many men working in the woods, in mining and prospecting. They will not require, in many cases, more than 10 acres of cleared land.

The WITNESS: Quite.

Mr. HERRIDGE: They would probably have a cow or two and a few pigs. Could not something be done to speed up the settlement in that district? As Mr. Murchison says, there are only relatively small pockets of agricultural land left, but I think something should be done to make it possible for these men who wish to go into this type of land, to go into it as soon as possible. The other question I wish to ask Mr. Murchison is this. We also have a number of men coming back. It is good agricultural land in the area from which I come, but it is largely a huge state forest. A number of men have purchased land on their own. They have gone out and purchased 100 or 200 acres of bush land. In some cases they have purchased partly-cleared land. In my opinion these men also should receive this grant of \$2,320 to re-establish themselves. They have gone to work and some of them will in the future purchase their land. Can you give me any logical reason why those men under those conditions should not receive the same grant as men taking other provincial land?

The WITNESS: That is opening up quite a big subject, Mr. Chairman. If you open that up I think you will have to go all the way down the road to the grocery store—why do you not buy the grocery store too?

You will notice that this section is confined exclusively to lands owned by the provinces. We do not make that available for the purchase of titled land or deeded land and I think for obvious reasons; because if that were done you would be running into all sorts of cases where \$2,320 would buy the land outright, and then it would be the purchase of a business or the purchase of merchandise and all those other things that enter the whole field of rehabilitation. The philosophy behind this thing is purely and simply that of encouraging

people of the right type to take advantage of the settlement opportunities which exist on the frontier fringes of the country.

Mr. HERRIDGE: Ours is frontier.

The WITNESS: That is basic in effect. I know that even in these frontier districts there are some deeded lands that we will acquire, probably some that veterans have acquired. If they have merely made a down payment on those properties and they are purchasing them under an agreement, I do not see why they should not come to us and ask us to bail them out under section 9 of the Act; because if they have purchased them and they are partly improved lands, one must assume that they are more valuable than purely raw lands where they must start from scratch. I am afraid that the proposal to apply that \$2,320 grant gets back into pretty well the same general discussion that we had a short time ago with regard to section 13.

Mr. QUELCH: They would be eligible under section 13. Again that is a reason why section 13 should have been amended.

Mr. GREEN: Mr. Chairman, I have here a clipping from the *Vancouver Province* of over two years ago announcing this gift of 1,000,000 acres. It is headed, "Huge gift announced by premier" and reads in part: "Gift of a million acres of soil-surveyed land for the benefit of British Columbia ex-service men who can qualify as farmers was announced today by Premier John Hart." Then the despatch went on to say that they were working with the dominion authorities administering the Veterans' Land Act of 1942 in connection with this gift. I do not know where the fault lies as between the director here and the provincial government. There is probably a little bit of fault on both sides. But the actual fact is that most of this land is around the Prince George, Vanderhoof and Quesnel areas and which, as the director knows, is not in northern British Columbia but is right in the centre of the province. Those members who are interested will see that it is right on the line of the C.N.R. railway from Edmonton to Prince Rupert, and it is the only district in British Columbia where there are large tracts of arable land available. It could be the biggest farming district in the province, I believe. Surely there is some way in which these difficulties can be surmounted. Is it possible, for example, to get the province to agree that the men who enlisted from British Columbia shall have priority but that veterans coming from other provinces shall not be excluded? Has an attempt been made to get an agreement along that line? I know that the people in the Prince George district and the Vanderhoof district are very keen to have soldiers come in there in order to get the land settled, and there is considerable opposition to the province's stand that only B.C. veterans should be eligible.

The CHAIRMAN: That was done by statute, was it not, Mr. Green?

Mr. GREEN: It was a statute subsequently, yes.

The CHAIRMAN: That is what I understand.

Mr. GREEN: But the provincial house will be meeting in another two or three months and the necessary amendments could be made at that time. Then has there been any proposal that the Veterans' Land Act administration take a portion of the 1,000,000 acres rather than taking the whole 1,000,000? You might be able to get a portion? Or do you have to take the whole? Is it a case of taking everything or nothing? Have you undertaken any farm settlement scheme? You have undertaken quite a few housing schemes under the small holding provisions of the Act, but have you undertaken any farm settlement schemes; that is, settling a group of farmers? That is what would be required on most of this land, I presume, and it is of great importance. I should like to know whether or not the administration has tackled anything of that sort, and whether the federal administration has done any clearing. This land has to be cleared. Has the federal administration done clearing in any of the other provinces?

The WITNESS: No, we have not undertaken any clearing programs in any province.

By Mr. Green:

Q. Are you equipped to do clearing work?—A. No; first for the reason that up to present time there has not been available to us the type of machinery required to carry out that work on a sound economic basis.

Q. Mind you, I am not suggesting that you should do clearing, I just wanted to know whether you were in a position to do it.—A. No. I prefer that the administration steer pretty clear of engaging in a vast clearing enterprise, because then the Veterans' Land Act becomes an instrument of colonization rather than a veterans' land settlement scheme. Up to the present time we have had no assurance that the veterans themselves would be interested in the land we cleared, so then we would be merely clearing land for provincial governments and selling it to civilians, which is outside the purpose of the Act altogether.

By Mr. Brooks:

Q. Is there not considerable lumber on this land that the veteran himself would like to retain?—A. Oh, yes. But if he is going to be established as a farmer, it would require the clearing of a lot of small bush, quite dense growth, maybe 50 or 60 acres. It would run to very substantial outlays.

On the question of selecting part of that 1,000,000 acres, I do not like to be offering alibis for this, that and the other thing, but I mentioned a point just a moment ago that explains a good deal of difficulty along those lines, and that has already been emphasized to the British Columbia government, namely that the system of survey in a large part of that country has disappeared just in the passage of time, and in order to properly select that land, the survey will largely have to be retraced and restred. Otherwise, going into that vast country where the survey mounds have disappeared and the posts have gone, you do not know what you are selecting. I feel that is a responsibility resting on the province of British Columbia. It is their land and they should bring their survey up to date.

By Mr. Green:

Q. Have they refused to undertake that responsibility?—A. No, they have not refused. They have taken the escape that many of us have had to take up to the present time, that there are not engineers available to do this kind of thing at the present time.

Q. That is quite correct.—A. Yes. I do not know whether I have answered all your question, Mr. Green.

Q. I asked about the suggestion to them that the veterans from British Columbia be given priority but that the land be not held exclusively for them.—A. I have already made that suggestion; and I can assure you, Mr. Chairman, that as and when we come to the point of discussing an agreement under this section of the Act, I would have to insist, as representing the dominion government, that that reservation so far as British Columbia veterans are concerned be substantially modified.

Q. Have you had any applications from veterans outside of British Columbia to go on this land in British Columbia?—A. Not yet; because they are barred by a provincial statute. As long as you have that provincial Act that says these lands are reserved for veterans of British Columbia, then of course the door is closed to veterans from the outside.

By Mr. Cockeram:

Q. I wonder if the director could tell us this: Are there any new areas in Ontario that they are opening up under this scheme?—A. I have just recently had a letter from the honourable Mr. Thomson, Minister of Lands and Forests

for Ontario, advising me that one of his senior officials will be in Ottawa a week from to-morrow to discuss with me the terms of an agreement along the lines of those already completed with the other provinces. I would not say there are any new districts opening up in Ontario. I would say that there is in my mind a good deal of room for filling in, in quite a few districts that have already been opened up in northern Ontario.

Q. Such as Cochrane and Sudbury?—A. Through that area. Their regulations provide that homestead entries may be filed on any vacant land that is already within a mile of a travelled road and within two or three miles of a school. I think there is a lot of research to be done in the land department of the province of Ontario, to sort out the lands that are actually available or should be made available for settlement of this class.

Q. I think they are doing that now.—A. I am very glad to hear that. There will be a good deal of scope under this section in Ontario, in northern Ontario, for other than agricultural settlement. You can see by the wording of the section that it contemplates quite a wide variety of things, and that we can assist boys in the forestry industry, in the commercial fishing industry, in the trapping industry and so on; and while the settlement will be scattered, I think that by and large it will be pretty sound. We have some very fine illustrations from northern Ontario of the type of men who should go back into districts of that kind. The whole battalion such as the North Algonquins recruited from Sudbury and those from Algoma have a particularly fine war record. I am sure those two-fisted fellows, when they come back into those districts, will welcome this type of assistance, to obtain working headquarters, a toe-hold in the forestry industry, in agriculture where it will apply or in commercial fishing or trapping, and that these men will give a pretty good account of themselves. That applies with equal force to similar veterans from all over Canada, so far as the pioneer fringes are represented.

Q. Might I make a correction there? It is the Algonquin regiment, not the North Algonquin.—A. Right.

By Mr. Adamson:

Q. May I ask one question while you are on this development in northern Ontario? There are some who are very much interested in mining. There is a colonel in the second battalion who has the same inquiry as I have. He is general manager of Lake Shore mines. Most of these men or at least a great number of them were miners and there is nothing in the Act to assist prospecting and mining in that way, is there?—A. Not in this Act.

Q. I do not see that there is any scope for it. But while you are on the question I thought I would ask and find out.—A. No. I think as close as we could get to a prospector under this section would be to assist him to establish a home in a general mining area, where his family would have a headquarters, where social services exist, and that he might find his employment as a prospector ranging over probably quite a large area during the prospecting season.

Q. That matter of finding a home where there are social services is a very important one for the families of these men.—A. Yes.

By Mr. Wright:

Q. I wish to ask the director a question with regard to the administration or the spending of this \$2,320. Where it is being spent in the provinces where they have set aside certain provincial lands, do you maintain supervision over the administration of the spending of that money, or did I understand you to say that some of that money, either part of it or all of it, would be available to the province were they prepared to go in and clear the land? Just what is the situation there? Do you maintain the right to say how this \$2,320 will be spent on the provincial lands or do you transfer that right to the provinces?—A. No.

We must retain control of the expenditure. When an establishment is approved by the joint committee representing the dominion and the provinces, it is intended to satisfy the purpose for which that grant shall be used or may be used. We will have to have certificates from field officers as to chattels, as to the cost and progress of clearing the land, but on production of those certificates the actual disbursement of the money will be in the control of the administration of the Veterans' Land Act.

Mr. TREMBLAY: Would you have your own inspectors?

The WITNESS: Yes.

Mr. TREMBLAY: Do I understand you to say that those directors—

Mr. BROOKS: Mr. Chairman, I think I had the floor.

The CHAIRMAN: I was inclined to be lenient with Mr. Tremblay because he has not spoken for some time.

By Mr. Brooks:

Q. In connection with the way in which this money may be used, subsection (c) of section 4 reads, "the purchase of essential farm live stock and machinery," and subsection (f) reads, "the purchase of trapping or fur farming equipment but not breeding stock." Why is it that breeding stock of fur-bearing animals is excluded? As the director knows, some of these lands in the north are the very best suited for fox raising and fur farming. I know that in northern New Brunswick and also Prince Edward Island fur farming is a very essential industry and it is considered as farming. Would the director tell us why it is particularly excluded here?—A. Well, I hope you are not accusing us of being unduly nervous or pessimistic about these things, Mr. Chairman, even in the establishment of veterans on specialized holdings in Prince Edward Island where fox farming is a well organized and established industry—

Q. And in New Brunswick also.—A. We just refuse to use any of this \$1,200 to buy foxes on the simple theory that they are too hard to catch.

Q. That shows how little you know about fur farming. You do not have to catch them; they are there in pens.—A. Yes, I understand. I have been to Prince Edward Island and I have seen thousands of them. But we also know that people who are inexperienced in handling that kind of fur breeding stock can very easily cause a disaster at certain times of the season by interference with the breeding stock. I think it is altogether likely that the veteran would prefer to start out with his own breeding stock, because in that event this director who gets cussed for a lot of things will not have any lien on his breeding stock. Under this section here we retain a chattel security for ten years on everything that is bought in the way of chattels under this provision. As I say, I do not want to become mixed up in the control of a lot of fur-breeding stock which we think should be free from encumbrance and we think should belong to the veterans themselves, and we feel that it is not an unreasonable proposition that if we put up the \$2,320 and if the province puts up the land that the veteran himself should at least try to scratch up two or three pairs of breeding stock.

By Mr. Tremblay:

Q. I know that hundreds of veterans are going to be very interested in this matter in the province of Quebec. Naturally the grant is made directly to the veteran himself and he is going to be responsible to you, and your directors are going to see that the conditions are carried out. Now, this is my second question: could you tell me how soon you think such lands would be available in the province of Quebec?—A. I am prepared to move, Mr. Chairman, just as quickly as the government of Quebec is prepared to get around a table with me on the details and complete an agreement. I have been down to see them, I have

been in correspondence with them. We have our superintendent for Quebec, Mr. Boily, in touch with the senior officers of the department concerned to find out why there should be any further delay. I cannot give a full explanation, although it may be that they are waiting until they find out what is going to be the outcome of some dominion-provincial conference. I have no reason to feel that there is going to be undue delay with the province of Quebec or with any other province in getting this matter completed, because it is a very attractive arrangement for the veterans and it fits into this type of establishment.

Q. I would be very interested to know how soon this can be settled, because to those who are interested we could say, just wait a while and then they may have a chance to settle under this plan.—A. I am moving as quickly as possible, but we cannot move any faster than the provinces concerned are prepared to move.

By Mr. Wright:

Q. Where the provinces are making land available, as they are in Alberta, British Columbia and Saskatchewan, where there are new areas and where there is only a limited amount of cleared land on each section or each quarter-section, it might be to the advantage of the veterans if three or four of them could own machinery co-operatively to operate the land. Now, will your department allow that under this grant of \$2,320 where it is being used on provincial lands?—A. I do not think we could do it just in the sense that I understand from Mr. Wright's remarks; but I think it should be done on the basis that veterans co-operate together in the use of the machinery they acquire. Now, I would not have any objection, for instance, if one veteran, we will say, wanted to use \$1,200 or \$1,400 of this money for the purchase of a tractor, and I would not have any objection if his neighbour wanted to use \$400 for a power plow or another item or two of equipment, and between the two of them they would have the machinery necessary to develop the two enterprises, but they would have ownership of the machinery that had been supplied to them.

Q. It seems to me that the more satisfactory way would be for them to own the machinery co-operatively. Suppose they use \$1,200 of the money, that would mean that one man could purchase a small tractor and another man out of his \$1,200 could purchase, perhaps, a seed drill, a one-way, or a plough, whereas if four were going in together, each having 100 acres—that would be 400 acres under cultivation—they could buy, co-operatively, enough machinery to work that 400 acres and they could buy a really efficient unit of machinery for the operation of that unit of land. I do not think they could buy as well individually as they could if they pooled their resources and bought machinery to use co-operatively. Now, you may say that they could not agree to use it co-operatively. I cannot agree with you altogether on that, because I do believe that these boys who have been working together in the army will be much better prepared to work together on that basis than they were before they went away. I certainly am convinced that that is the only way they are going to be able efficiently to operate some of those units. I believe that the \$1,200 is not enough in itself to purchase an efficient machinery unit for each unit of land. If the four men pool their \$1,200 together, that makes \$4,800, and they can buy a fairly efficient unit; one that will work that land to advantage. I believe that the department should give some consideration to that idea.

The CHAIRMAN: The limit is not \$1,200; it is \$2,320.

Mr. WRIGHT: I was using the \$1,200 as a figure; they might use \$1,500 or \$2,320 or \$1,000.

Mr. McKAY: You have no objection to the number of men providing they retain their control of the implements that they purchased originally under the scheme? You have no objection to them entering a co-operative agreement among themselves?

The WITNESS: None at all. That is the way it should be done.

Mr. McKAY: It is the only way it could be done.

The WITNESS: If I might make a suggestion on this section before you adjourn, I would bring up a point that has arisen since the draft bill was printed: "The minister may, with the approval of the Governor in Council, enter into an agreement with (a) the government of any province for the settlement of veterans on any provincial lands that a provincial government may recommend as being specially suitable for settlement by veterans."

Now, the situation has developed where, I think, consideration might be given to a little enlargement there to take care of the special situation. I refer to lands owned and controlled by the Dominion of Canada in areas such as Jasper, Banff and in certain of the Northwest Territories. There are quite a large number of enlistments from Banff and Jasper. The Department of Lands and Mines control those townsites and all the areas surrounding. The veterans are returning there and finding they are not able to establish under this Veterans' Land Act as it stands because we insist upon titles. Now, in these areas the Dominion Department of Lands does not grant titles; they grant a ground lease for twenty years or longer, a renewable lease, but they control titles to the land. Representations have been made to me by the Department of Lands that consideration might be given to an enlargement of this section by adding after 35 (1): The minister may, with the approval of the Governor in Council also enter into an agreement with "(b) the Minister of Mines and Resources of Canada for the settlement of veterans on any Dominion lands that the Minister of Lands and Resources may recommend as being specially suitable for settlement by veterans." That would take care of the situation to which I just referred, and I think it would provide the means to make this grant of \$2,320 available to quite a few veterans who enlisted from these places which I have mentioned and who have returned there and wish to find their re-establishment there.

The CHAIRMAN: You have in mind that that would be added onto subsection (1)?

The WITNESS: Yes.

The CHAIRMAN: (1) (a) and (b).

Mr. ADAMSON: In connection with Banff I wonder if it is known that there was this summer only one lot available in the entire townsite of Banff and there were about 600 applications for that one small lot. I will not quote the price, but it was a tremendously inflated price, and I suggest you go and see the Department of Mines and Resources and ask them to increase the size of the Banff townsite. I presume that a similar situation applies at Jasper. It certainly applies at Banff. There is no more land there to be taken up until the Department of Mines increases the size of the townsite, because there is no more land left.

The WITNESS: My understanding from Mr. Smart, the Superintendent of Parks, is that his department has that very problem in mind, and since we have made the representations to bring this part of the Act to bear on these national parks areas I assume that they are prepared to make the land available.

Mr. ADAMSON: I hope they are. I am glad this has come up. It was unexpected that it would come up before the Veterans Affairs Committee. It is one of those great—I will not say miscarriages of justice—but it is an inconvenience to the people out there. I do happen to know that in the town of Banff—I happened to be passing through—every hotel, every room and every bit of tourist accommodation is taken for all next summer. That is how crowded the place is.

The CHAIRMAN: If the committee is willing to stay three or four minutes longer I hope we can get clause 4 through.

Mr. HARKNESS: I have a letter from the Banff Citizens' Rehabilitation Committee, addressed to the minister, and I think there are really two points that this rehabilitation committee have presented—the one that Mr. Murchison has mentioned, I think would take care of making advances to veterans as far as not being able to get title to land is concerned; but the other point is the one which Mr. Adamson has brought up—

The CHAIRMAN: Is this relevant to what we are considering now?

By Mr. Harkness:

Q. Yes, it is exactly relevant. I will read the first part of this letter:—

1. Whereas, at the present time there are no building lots available in Banff townsite,

And whereas, the present policy of the Parks Bureau in advertising such lots as are open for filing to the highest bidder, discriminates against the veteran who cannot compete against the wealthier applicant;

Resolved that lots already surveyed be served with light, sewer and water immediately; and that service men returned from this war be given the first opportunity to acquire these lots, at the existing lot rental rate.

The amendment which you have proposed would not do in meeting that situation, Mr. Murchison. It would look after the second of the resolutions these people put forward in regard to the difficulty over titles.—A. The difficulty you mention would be overcome in the terms of the specific agreement between the Minister of Mines and Resources and the Minister of Veterans Affairs that the Minister of Mines and Resources would, I think, undertake to make land available in these localities and reserved for the use of veterans. That would have to be the basis of the agreement between the two departments.

Q. As I understand your amendment it would cover the second of the points these people bring up, that it is impossible for a veteran to receive title to a piece of land until the erection of a house thereon to comply with government specifications, and it is also impossible for him to submit a title in the parks in order to take advantage of money available from either loan companies or the veterans' rehabilitation funds. As I understand your amendment it will cover that second point but it would not cover the first?—A. Of course, it would not cover the first, and I am certain this is what is intended by the parks branch, that they are prepared to make additional lands available close to these townsites of a type that will accommodate the veterans concerned. Otherwise there would be no sense in making an agreement because the amendment I have suggested would read "Dominion lands that the Minister of Mines and Resources may recommend as being specially suitable for the settlement of veterans." I think the amendment I have suggested would create the statutory background for the general agreement between the two departments to solve this question.

On the matter of titles there is no new principle involved there because in clause 6 of the draft bill provision is made to extend this same principle to Indians on British reservé lands. There, of course, there are no titles available.

By the Chairman:

Q. Would you please read the clause again as you suggest it so that the committee will have it?—A. "The Minister may with the approval of the Governor in Council enter into an agreement with the Minister of Mines and Resources of Canada for the settlement of veterans on any dominion lands that the Minister of Mines and Resources may recommend as being especially suitable for the settlement of veterans."

The CHAIRMAN: That would cover your point because it would give a statutory basis for the agreement to set aside these lands.

Mr. HARKNESS: That would cover the matter of these title difficulties, but the other difficulty is that it is a policy in the national parks that any lot which becomes available is open to the highest bidder. That, of course, as pointed out by this Banff rehabilitation committee, cuts out from the practical point of view veterans attempting to establish themselves there. In other words, what is required is a specific change in the mines and resources department also.

The WITNESS: That would have to take form in the specific agreement between the two ministers. All this needs is statutory authority to set up that agreement.

Mr. HARKNESS: All I am concerned with really is that this committee should make a recommendation to the effect that a change in that policy be made by the mines and resources department.

Mr. ADAMSON: With respect to veterans.

Mr. HARKNESS: Yes.

The WITNESS: That they would grant titles to veterans? I do not think they would do that.

The CHAIRMAN: That veterans be given preference at what price they are willing to pay ahead of any one else; in other words, that we sort of have a policy that if land is set aside under this agreement veterans be given the first chance to bid. I do not know just how you would work out at what price they would be willing to buy. What would you have in mind?

Mr. HARKNESS: The situation at Banff is that there is a tremendous demand for lots upon which they may set up service stations, restaurants or anything else. Any lots that are still available for that purpose and are thrown open go more or less to the highest bidder. That is why I say I do not think this amendment would cover that situation. What the Banff citizens rehabilitation committee have recommended is that the policy of the Department of Mines and Resources be changed so that new lots opened up for business purposes go first of all to veterans and not in competition with people who have more money.

The CHAIRMAN: How would you prevent a veteran buying it one day for \$100 and turning around and selling it the next day for the sum that somebody else is willing to pay for it? Have you thought out anything concrete in the matter?

Mr. HARKNESS: I think it could be handled in the same way that the whole Veterans' Land Act is handled. A man has to stay on land ten years before he gets title to it. Some similar provision could be made as far as these lots in the national parks.

The CHAIRMAN: You mean they could not assign the lease?

Mr. HARKNESS: Yes.

The WITNESS: That principle is written into the agreements already completed with other provinces. An undertaking is given by the province that title will not pass to the veteran within a period of ten years unless with the approval of the Minister of Veterans Affairs. We must have an escape clause to take care of exceptional circumstances.

Mr. HARKNESS: That looks after the difficulty that the chairman mentioned.

The CHAIRMAN: In this case there would be no title given at any time. What I have in mind is that they are suggesting that the veteran should be able to get it ahead of other people at a much lower price than the value on the market. In other words, they suggest that others should be excluded from bidding on the thing until the veterans are all satisfied.

The WITNESS: It is my understanding from the parks branch they are prepared to make land available exclusively for veterans on a very attractive

basis. I say again, Mr. Chairman, these are things that will have to be dealt with specifically in an agreement pursuant to this section. I will be very glad to keep in mind the points that have been raised here in negotiating that agreement with the parks branch.

The CHAIRMAN: Obviously if it is done for veterans only veterans will be able to take the parcels that are provided for under it.

Mr. HARKNESS: I know the situation there, and I am pretty sure this thing applies to the second point, the difficulty over titles.

The CHAIRMAN: It is to enable veterans to get the benefits of the Act even though they cannot get titles. If an agreement is made between the veterans' administration and the Department of Mines and Resources to open up some parcels for the settlement of veterans and to give them the benefits of these grants under the Act obviously veterans will be the only ones who will get the benefit of it. Competition from civilians will not enter into the picture at all.

Mr. HARKNESS: I think that would apply as far as land that a veteran might get under the Veterans' Land Act, but this other point I have brought up is really not under the Veterans' Land Act at all. It is a matter of lots in Banff, the same thing Mr. Adamson was speaking of. These lots would be used, in some cases for homes and in other cases for business purposes. I still do not think that this proposed amendment would cover these things.

The CHAIRMAN: That is why I asked you if it is relevant to this section or if it is relevant to the Veterans' Land Act. It is for business property in Banff itself, it is certainly not under the Veterans' Land Act. That is why I asked you at the start if it was relevant to this section.

Mr. HARKNESS: It is relevant in this way, Mr. Chairman; all these lots, as you understand, in the national parks and under these agreements of lease, and no title can be secured.

Mr. ADAMSON: You might do it by ear-marking a certain proportion of the land opened up by the national parks authorities for the use of the veterans. You might do it in some way like that. I realize the difficulty, because immediately you open up the land there are going to be terrific competitive bidding on it; and unless some safeguard is made, the veteran is going to be squeezed out, because there are thousands of people who want to buy land out there.

The CHAIRMAN: This agreement would provide for this being opened up for veterans only.

Mr. ADAMSON: Yes. That is a very good idea. I am entirely in favour of it.

The CHAIRMAN: Could we carry clause 5 with the amendment suggested?

Mr. GREEN: I should like to ask Mr. Murchison a question.

The CHAIRMAN: Very well.

By Mr. Green:

Q. Have you settled any men in central British Columbia on farms? I ask that question because I am just a little afraid that because you have been unable to reach an agreement with the province of British Columbia about this 1,000,000 acres, you will have been discouraged from going into that area at all under the ordinary provisions of the Veterans' Land Act.—A. I might say in answer to that question, that we have recently had appointed an advisory committee and we are opening a regional office at Prince George just as soon as we can get the necessary staff. In the meantime we have a few applications which originate in the Quesnel and I think also in the Vanderhoof area, that are being dealt with in the meantime by the office at Edmonton. Just as soon as administrative facilities can be established up there, we want to start dealing with applications for veterans who derive from that particular locality.

Q. Then there was some mention about frontier areas. I understand that the policy in administering this Act is that it shall not be used as a means of opening up frontier areas. On the other hand, if the different provinces are willing to go ahead and open up the areas, then the dominion will cooperate; but you put the primary responsibility for opening up frontier areas on the provinces. Is that correct?—A. That is right; that this should be complementary to colonization matters carried out by the provinces, that it merely provides means by which veterans may fit into that type of development.

The CHAIRMAN: May we carry clause 5 as amended?

Mr. BROOKS: I will just be a minute, Mr. Chairman, and I am sorry to delay the committee. There is only one department mentioned there, but during this war the Department of Defence has taken over great tracts of land all over this country. I am thinking of some land in my own province which is very good for farm land. I wonder would it be necessary to extend that amendment to include other departments so that there would be no difficulty if somebody wanted to purchase land from the Department of Defence?

The WITNESS: That is not the way those lands are handled. They are released to War Assets Corporation.

Mr. BROOKS: Then it is not necessary.

The WITNESS: Then they are offered for sale and they cannot come under this section.

Mr. GREEN: If you are carrying that amendment, Mr. Chairman, you will also have to amend subsection (3).

The CHAIRMAN: Subsection (3) says, "Subject to the regulations made under this Act..."

Mr. GREEN: So that it will cover dominion land as well as provincial land.

The CHAIRMAN: You mean subsection (2)?

Mr. GREEN: No. The present subsection (3) of section 35 refers to provincial land. You will have to have provincial or dominion.

The CHAIRMAN: Yes. We will have to amend subsection (3) to read: "who settles on provincial or dominion lands." That will amend subsection (3) too. May we carry clause 5 with the amendment suggested setting up the new (b) and writing in "provincial or dominion lands" in subsection (3)?

Some Hon. MEMBERS: Carried.

Section 5 as amended agreed to.

The CHAIRMAN: Gentlemen, I do not think that we can hope to sit to-morrow. Is it the wish of the committee to sit this afternoon or to adjourn until Thursday morning?

Some Hon. MEMBERS: Thursday.

(Discussion as to next meeting followed.)

The CHAIRMAN: Then we shall adjourn until Thursday morning at 10.30.

The committee adjourned at 12.45 p.m. to meet again on Thursday, November 22, at 10.30 a.m.

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Canadian Veterans Affairs Special
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SESSION 1945
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 23

THURSDAY, NOVEMBER 22, 1945

WITNESSES:

Mr. W. S. Woods, Deputy Minister of Veterans Affairs;
Mr. W. G. Gunn, Counsel, Department of Veterans Affairs;
Mr. G. Murchison, Director, Soldier Settlement and Veterans' Land Act.

MINUTES OF PROCEEDINGS

THURSDAY, November 22, 1945.

The Special Committee on Veterans Affairs met at 10.30 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Adamson, Ashby, Baker, Belzile, Benidickson, Bentley, Brooks, Bruce, Cleaver, Cruickshank, Dion (*Lake St. John-Roberval*), Drope, Emmerson, Gauthier (*Portneuf*), Harkness, Harris (*Grey-Bruce*), Herridge, Jutras, Langlois, Lennard, Marshall, Mackenzie, MacNaught, McKay, Moore, Ross (*Souris*), Tucker, Viau, Winters, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mr. W. G. Gunn, Counsel, Department of Veterans Affairs; Mr. G. Murchison, Director, Soldier Settlement and Veterans' Land Act.

Mr. Mackenzie filed a memorandum setting forth changes in the table of disabilities as assessed by the Canadian Pension Commission. (*Printed as Appendix "A" to this day's Minutes of Evidence*).

A report was received from the steering committee recommending that commencing on November 26th, the Committee sit on Monday and Friday of each week, in the morning if the House is not sitting, and from 2 to 4 o'clock in the afternoon if the House is sitting in the morning.

It was also recommended that the proposed draft bill to amend The Veterans' Land Act, 1942, and the proposed bill to grant rehabilitation allowances to veterans be reported to the House with the least possible delay, and that as many sittings as possible be devoted to consideration of matters such as the Civil Service preference, submission by the Canadian Legion, B. E. S. L., and the report of the subcommittee on regulations governing discharge for misconduct.

The report of the steering committee was concurred in.

It was agreed that a recommendation be made to the House that a similar Committee be constituted at the next session immediately after the assembly of parliament.

On motion of Mr. Harkness it was unanimously resolved that this Committee recommend to the Department of Mines and Resources that the regulations governing the disposal by lease of lots in our national parks be amended to the extent that returned service men be given priority to lease such lots as are presently surveyed at the existing lot rental rates and until such demand is satisfied the present system of leasing lots to the highest bidder be discontinued.

Consideration of the proposed draft bill to amend The Veterans' Land Act, 1942, was resumed and Mr. Murchison was recalled and heard thereon.

Clause 6 was amended by adding to subsection two of section 35A of the Act the following paragraph:—

(h) the acquisition of occupational rights to lands, vacant or improved, located within the boundaries of any Indian reserve.

Clause 6, as amended, was adopted.

Clause 7 was adopted without amendment.

The draft bill was further amended by adding thereto the following clause:—

“9. The said Act is further amended by adding thereto the following section:—

39. Notwithstanding the Senate and House of Commons Act or any other law, no veteran by reason only of his entering into a contract or receiving a benefit under this Act, shall be liable for any forfeiture or penalty imposed by the Senate and House of Commons Act or disqualified as a member of the House of Commons or incapable of being elected to, or of sitting or voting in the House of Commons.”

At 12.30 o'clock p.m., the Committee adjourned until Friday, November 23rd, at 10.30 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

November 22, 1945.

The Special Committee on Veterans Affairs met this day at 10.30 a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Gentlemen, the minister has to leave shortly and he has a short statement to make before doing so.

Hon. Mr. MACKENZIE: Gentlemen, this does not deal directly with the Veterans' Land Act but it does deal with a very important feature of veterans' legislation. It is the table of disabilities, which is a mysterious thing that we have had for 30 years in Canada. I have had a report from Brigadier Melville, who is chairman of the Pension Commission. It reads as follows:—

The Commission, for quite a lengthy period, has been carrying out a very comprehensive study relating to the assessment for multiple disabilities, defective hearing, complete ulnar nerve lesions, helplessness allowances, disabilities peculiar to members of the Womens' Divisions of the forces, etc. This study has resulted in an upward revision for certain groups in the Table of Disabilities and will be effective from the 1st day of October, 1945. Action has already been taken by the Commission to commence a review of all the awards in payment which will be affected by these changes and necessary adjustment will be made to pensions.

The Commission must point out that with the great number of new claims being dealt with, as a result of World War II, it will take some time to complete the review and adjust the awards. Pensioners, however, are protected as the adjustment will be effective from the date of the change.....

The Committee is not likely to reach consideration of the Pension Act for some weeks and as the submission of the Canadian Legion with regard to pension matters has been withheld at the Committee's suggestion, until that Act is being considered, and we have heard the representations of the National Council of Veterans, it seems to me desirable to advise the Committee regarding certain changes in the Table of Disabilities which have been reported to me by the Chairman of the Canadian Pension Commission.

Attached is a statement which concisely sets forward the changes which have been effected. As you know, it is the very definite policy of the Commission to make the Table of Disabilities the subject of a constant review and when changes are indicated these are immediately made effective. The authority for the preparation and use of such a Table is contained in Section 24 (2) of the Act which reads:—

The estimate of the extent of a disability shall be based on the Instructions and a Table of Disabilities to be made by the Commission for the guidance of physicians and surgeons making medical examinations for pension purposes.

With a view to facilitating the committee, I should like to table, for the purpose of the record, the changes which have been made. I think they are very important.

The CHAIRMAN: Is that agreeable?

Some Hon. MEMBERS: Carried.

(Amendments to the Table of Disabilities appear as Appendix A)

The CHAIRMAN: The steering committee met last night to discuss the situation that confronts us now, and I can indicate their recommendations to the committee.

(Discussion as to steering committee's report and future meetings of the committee, off the record).

The CHAIRMAN: There is just one other matter before we go on with consideration of clause 6. I believe you wished to bring something up, Mr. Harkness.

Mr. HARKNESS: Yes, Mr. Chairman. Following up the discussion we had at the end of last day's session in connection with the position of veterans so far as getting land in national parks is concerned, I thought in order to bring the views of this committee to the attention of the Department of Mines and Resources it would be well to have on record something in the form of a resolution which I have drawn up in these words:—

This committee recommends to the Department of Mines and Resources that the regulations governing the disposal by lease of lots used in our national parks be amended to the extent that returned service men be given priority to lease such lots as are presently surveyed at the existing lot rental rate and that until such demand is satisfied the present system of leasing lots to the highest bidder be discontinued.

That was to cover the point I brought up at the last meeting, that as the regulation stands, veterans would practically probably be excluded from getting building lots or lots for business purposes in the national parks because of lack of sufficient capital. I should like to see the committee pass that resolution so as to bring our views to the attention of the Department of Mines and Resources.

The CHAIRMAN: Does any one else wish to speak on that motion?

Mr. HARRIS: I heard the honourable member the other day and I also heard the chairman's answer, and I fail to see the purpose. I agree entirely with the proposal, but I thought the purpose of the amendment in the Act was this, that the director could purchase land from the park for veterans. Starting with that, if he does acquire land for veterans, how would it become open to public bid? I do not object to issuing any direction of this kind at all, except that it seems purposeless at the moment.

The CHAIRMAN: It is really something outside the Act altogether. Under the Act there will be certain lands subdivided or made available for veterans only. What Mr. Harkness has in mind is this. There are some vacant lots to-day, and he would like to have our committee go on record that veterans should have the preference in getting those lots. That is correct, is it not?

Mr. HARKNESS: Yes. The point is that unless the regulations are changed by the Department of Mines and Resources, the lots will go to the highest bidder. The purpose of this is just to put ourselves on record as being in favour of that practice being discontinued until the demand on the part of veterans for such lots has been satisfied.

Mr. HARRIS: My misunderstanding arose entirely from the fact that I did not follow the amendment in that way. I did not understand it.

The CHAIRMAN: It does not affect the Act. It is just an expression of opinion on our part to the Department of Mines and Resources; and as we are not hearing the Department of Mines and Resources, it is subject to any objection or difficulty that they might raise to it. So far, I personally do not see any reason why our committee should not express a desire that they get that prefer-

ence in any way it is possible to give it to them. Is it the wish of the committee to carry that resolution?

Some Hon. MEMBERS: Yes.

Resolution agreed to.

The CHAIRMAN: We now come to clause 6 which reads as follows:—

6. The said Act is further amended by adding thereto, immediately after section thirty-five thereof, the following section:—

35A. (1) The Director may grant an amount not exceeding two thousand three hundred and twenty dollars to an Indian veteran who settles on Indian Reserve lands, the said grant to be paid to the Minister of Mines and Resources who shall have the control and management thereof on behalf of the Indian veteran.

(2) A grant made pursuant to subsection one of this section shall be disbursed by the Minister of Mines and Resources on behalf of the Indian veteran only for one or more of the following purposes:—

- (a) the purchase of essential building materials and other costs of construction;
- (b) the clearing and other preparation of land for cultivation;
- (c) the purchase of essential farm livestock and machinery;
- (d) the purchase of machinery or equipment essential to forestry;
- (e) the purchase of commercial fishing equipment;
- (f) the purchase of trapping or fur farming equipment but not breeding stock; and
- (g) the purchase of essential household equipment.

(3) An Indian veteran on whose behalf a grant has been made under this section shall not be entitled to enter into a contract with the Director under section nine or section thirteen of this Act, and an Indian veteran who has entered into a contract with the Director under section nine or section thirteen of this Act shall not be eligible for a grant under this section.

For the purpose of the record, I think the explanatory note is very clear on this point. It reads as follows:—

Section 6. It is desirable to make provision to facilitate establishment of Indian veterans on Indian Reserve lands, but in view of the fact that titles to Indian Reserve lands may not be alienated or hypothecated it is not practicable to assist Indian veterans under the existing provisions of *The Veterans' Land Act* to become established on Indian Reserve lands.

This section authorizes the Director to make a grant not exceeding \$2,320 to an Indian veteran who settles on Indian Reserve land, the grant to be paid to the Minister of Mines and Resources and to be expended for the purposes set out in the section.

The total grant of \$2,320 which may be expended is the same as that which a veteran may obtain under Section 9 of the Act.

I am very pleased that this provision should be brought forward in view of the splendid services of our Indian people in regard to this and the last war.

Does any one wish to discuss this?

Some Hon. MEMBERS: Carried.

Mr. GORDON MURCHISON, Director Soldiers' Settlement and Veterans' Land Act, *recalled*:

The WITNESS: I should like to make one suggestion to the committee, Mr. Chairman. Since the order in council under the War Measures Act was passed, setting up this provision, the necessary administrative arrangements between

the director and the Minister of Mines and Resources have been reduced to writing and actual settlement operations have commenced. I am advised, however by the officials of the Department of Indian Affairs that by a modest enlargement of the purposes for which these funds may be used on certain reserves, it would considerably simplify its administration and would be in the best interests of the Indian veterans. The situation I refer to does not exist to any extent in western Canada where there is nothing like the shortage of land that exists on some of the reserves in eastern Canada, particularly in Ontario. I am informed that among the Six Nation tribes in Ontario and probably a few others in eastern Canada, land in relation to Indian population is quite limited. They find that there are a fair number of aged Indians who are occupying land on these reserves by what is known as location ticket. If this provision were enlarged to permit some of this money to be used to purchase these occupational rights from these aged Indians, lands on which there are already some improvements,—either cultivated land or modest buildings—it is submitted that it would considerably facilitate the settlement of a number of these Indian veterans on their home reserves, particularly in eastern Canada.

The purpose could be accomplished by adding a clause (h) in the schedule in section 35 (2), to read as follows: "for the acquisition of occupational rights to lands vacant or improved, located within the boundaries of any Indian reserve." I commend that suggestion to you, Mr. Chairman, because as I say, the administrative officers of Indian Affairs have assured me that this addition would be a substantial help to them and simplify the establishment of a number of Indian veterans on these reserves.

The CHAIRMAN: Is it the pleasure of the committee to carry the clause as proposed to be amended?

Some Hon. MEMBERS: Carried.

Clause 6 as amended agreed to.

The CHAIRMAN: We now come to clause 7.

7. The said Act is further amended by adding thereto, immediately after subsection one of section thirty-seven thereof, the following subsection:—

(1A) The Director may with the approval of the Governor in Council make regulations authorizing persons named therein to exercise or perform with respect to such matters as may be specified therein, any of the powers or duties conferred or imposed by this Act on the Director.

The purpose of this clause is set out in the explanatory note as follows:—

Section 7. Due to the multiplicity of functions to be performed by the Director and the nation-wide scope of the Act it has been found necessary to provide power of delegation to other authorized persons.

Is it the wish of the committee to carry that clause?

Some Hon. MEMBERS: Carried.

Mr. WRIGHT: Mr. Chairman, I think we should have a little discussion on that. There are very large powers given to the director under this Act in every respect with regard to the sale of land, with regard to qualifications or how long the settler shall remain on the land; and it is proposed to make it possible for the director to delegate that power to any one in his employ, I suppose, or any one he may designate. I think we should give some consideration as to whether those powers should be delegated to other people and as to just in what way. There should be some limitation, I think, placed on the power of delegation.

The CHAIRMAN: You will note, Mr. Wright, that it is with the approval of the Governor in Council.

Mr. WRIGHT: Oh, yes. That is, of course, a safeguard there. But in view of the fact that these powers that the director has are so large, personally I would be very much opposed to their being delegated to any very great extent.

Mr. WINTERS: The director will still be responsible.

Mr. WRIGHT: I should like the director to give us some indication of what he proposes under this.

The WITNESS: In the operation of a scheme of this magnitude, Mr. Chairman, involving the purchase of land, the carrying out of improvements, the completion of vouchers and authorities to disburse moneys, and the signing of settlement documents, it is obvious I am sure that if the director is to get any sleep at all, it will be quite impossible for him to O.K. every voucher, or even to sign every settlement agreement. Otherwise I would not have time to do anything else. The reason this proposal is put forward is this. Under our system and administration, with the Treasury Department in control of all disbursements, they must have certified authorities in connection with this or that type of transaction. Mr. Wright has mentioned the broad powers of the director, and he also mentioned the cancellation of a veteran's agreement. The Act does provide for the establishment of a provincial advisory board which must in all cases review the cases in detail before any final action can be taken by the director. That is a substantive clause in the agreement; and I want to assure the committee that there is nothing in this section, and there is no thought in the mind of the director to delegate these powers to a point beyond which is absolutely necessary for the working of the technical details involved in the administration.

Mr. CRUICKSHANK: Mr. Chairman, I think Mr. Wright is over-pessimistic. I do not see how the director could carry on unless he did have this provision in the Act. How could he handle the situation in British Columbia, for instance, with all the tremendous detail, unless he is given power to delegate some of his authority? The only authority he can delegate is that which is conferred or imposed by this Act on the director. There is nothing new in it. In other words, the manager of a bank cannot sign everything, and he has some one sign for him. He has to delegate some of his power. I think perhaps this is the first time since the committee started that I am in agreement with the director.

The WITNESS: I might say that the thing came to an issue,—and I do not think this should be put on the record.

The CHAIRMAN: Very well, it will be off the record.

(Discussion off the record)

Mr. WINTERS: Mr. Chairman, is it not true that although the authority is delegated in some instances, the responsibility still rests with the director?

The WITNESS: Oh, yes.

Mr. WINTERS: That is standard practice. I think you have to give him that authority. You have to delegate authority.

Mr. WRIGHT: I did not wish to make an issue on this point, Mr. Chairman. I just wanted to get an explanation from the director as to the reasons for his asking for this power and in what manner he proposes to use it, so that we would have it on record.

The CHAIRMAN: Is it the pleasure of the committee to carry that clause?

Some Hon. MEMBERS: Carried.

Clause 7 agreed to.

Mr. WRIGHT: There is one other matter, before we report the bill, that I wish to refer to. It is with respect to the men who were under the old Soldier Settlement Board and who are serving again in this war. Can the director give us an explanation of just what their position is under the Act? If a man has land under the old Soldier Settlement Board agreement, for instance, and has enlisted in this war and served overseas, can he obtain any other rights under this Act? For instance, can he get some equipment under the Act? Again, what is the position of the man who has enlisted in the Veterans' Guard in Canada and was under the old Soldier Settlement Board? Can he obtain any benefits under this Act other than just a reduction in his interest rate?

The WITNESS: Section 23 of the Veterans' Land Act reads as follows:

"Loans or advances authorized by this Act shall not be made to persons who obtained loans or advances under the provisions of the Soldier Settlement Act, and who are indebted to the Director of Soldier Settlement."

I am sure that it was the intention or the thought behind that clause, when it was inserted in the original Act, that a state of great administrative confusion would arise if we were dealing with a veteran with loans under different Acts. This Act, as I say, provides that no loans or advances authorized in this Act shall be made to persons who are indebted to the Director of Soldier Settlement. We have had a few cases develop where a soldier settler who is indebted to the Director of Soldier Settlement cleans that transaction up.

He either sells his property or repays his loan and comes to us with some new proposition, but because he has a contract in force under the Soldier Settlement Act we cannot do anything for him under the Veterans' Land Act.

By Mr. Wright:

Q. It is not possible, then, for him to sell land to you under the new Act and come under it in that way?—A. I would not say it is impossible, but I would say it would also involve a survey of the underlying purposes. Now, the purchase of a piece of land for Veterans' Land Act purposes is one thing, the grant of new land under the Veterans' Land Act to a man who has probably reached the age of 60 is another. I would not like to make any hard and fast statement on the point you have raised because I think in due course this committee will have before it for consideration some amendments to the War Veterans' Allowance Act, increasing the amount of allowance payable, and I am convinced from the survey we have made thus far that a solution to quite a number of the cases of the type which I think are in Mr. Wright's mind could more advantageously be found through the War Veterans' Allowance Act than by a new debt established under the Veterans' Land Act. As I say, there is nothing in the Act to prevent the director of the Veterans' Land Act acquiring land from any person, firm or corporation; he could even buy it from a soldier settler. But as I say, when we do that with the idea of granting the soldier settler, who is also a veteran under this Act, a new loan, that must involve a consideration of the whole picture as to the advisability of making that loan, a new loan, to an aged veteran.

Mr. BENTLEY: Could a veteran, say, under the Soldier Settlement Act, who has an encumbrance, exercise his rights under this Act, under section 13, and retire that and become indebted to the Veterans' Land Act?

The WITNESS: Not the way this Act reads at the present time.

Mr. ROSS: I would like to say something about the Veterans Guard. As I understand this matter, if a man is not indebted under the old Soldier Settlement Act he is entitled under this new Act, and I think there might be a barrier in many cases as to the age limit. Have you any ruling as to the age of the applicant in case members of the Veterans Guard might want to settle?

Mr. WINTERS: This applies not only to the Veterans Guard but the veterans of both wars.

The WITNESS: Colonel Ross has raised a most important and rather difficult subject for me to discuss. I believe there are in the neighbourhood of possibly 20,000 members or ex-members of the Veterans Guard who in due course of time will probably be approaching the War Veterans' Allowance Board for an allowance under the Act. I cannot see any other solution. These men are of an average age now, of possibly 55 years or better. I have personal knowledge of quite a few of them who are past 60. Now, I think everyone in this committee will agree with me that considering an establishment under the Veterans' Land Act on behalf of the veteran who has reached that age and who today has very little other than his savings accumulated during period of service in the Veterans Guard, presents very serious administrative difficulty particularly in so far as establishing him as a farmer is concerned. It has always been my thought that if anything could be done on behalf of that very deserving class of veteran it should be more along the lines of a small holding establishment, because you can see the position which is inevitably going to confront the administration. If we establish one of these fine fellows who has reached the age of 57 or 58 today his prospects for gainful employment for the rest of his life are none too good, I would say, at the present time, in competition with the younger veterans throughout the country; and in the course of a few years possibly after he has obtained an establishment under the Veterans' Land Act he then approaches the administration of the War Veterans' Allowance Act for an award. Now, I think that it would be quite a difficult process for us to consider establishing large numbers of veterans who at the time of their application are in receipt of an allowance under the War Veterans' Allowance Act. I mean it is impossible to determine some basis upon which the man is going to comply with the terms of a settlement agreement if he is placing practically full reliance for income on a grant that he is getting from the government in another direction. It is a rather complicated situation, Mr. Chairman, and I would prefer to make no further comment on it until the committee may have an opportunity of dealing with the War Veterans' Allowance Act itself.

Mr. Ross: I agree with you that there are difficulties. I am not advocating that everyone of these chaps should come under this Act, but I was wondering if there was any cut-off age; because we are approached, as representatives of many of these chaps who still feel they are pretty useful, and we are in a difficult position to tell them what their entitlement is under this Act, and I was wondering if there is a cut-off age or would you take each case on its merits.

The WITNESS: There is no absolute cut-off as to age, because we encounter veterans whose effective usefulness in the labour market at the age of 48 may be at an end, whereas we may run into a more rugged type of man who is 58 and is a lot better man than the other fellow at 48. However, there is one age, I think, where a deadline could be established, and I think it is the age of 60, at which time he is eligible for the war veteran's allowance, or not having reached the age of 60 he is no longer able to provide for his own welfare. So I say there is no hard and fast rule as to what the age may be. I merely emphasize again that if he has reached an age or a condition that he is in receipt of the war veteran's allowance at the time he comes to this administration then I think the matter of government policy is involved as to whether that individual should, in addition to a war veteran's allowance possibility of \$60 a month, be established under the Veterans Land Act on the basis of repaying a debt.

Mr. WRIGHT: The type of case that I had in mind when I raised this question was one which I think the director is probably familiar with. We have in our area men who are still under the old Soldier Settlement Act but

who reached about the age of 50 and enlisted in the Veterans' Guard. They had not completed their payments to the board for the land on which they were living. And they are five or six years older now and they are coming back but they do not feel able to go back on full-time farming. There are a number of cases in which they would like to dispose of that land to the board and take a small holding, they may be much more fitted and better off in every respect on a small holding than they would be in going back and trying to maintain a farm. I think there should be some provision under the Act whereby they would be able to make that switch. I think it would be to the advantage of the director to have that land in the control of somebody who is able to farm it rather than have the old veteran go back. I think it would be in the interest of the old veteran to have a small holding where, perhaps, if he is getting the war veteran's allowance, he would be able to handle it quite well, whereas he is not able to carry on in this regular farming occupation. I think there should be something in the Act whereby that switch could be made.

The CHAIRMAN: There is nothing in the Act to prevent that now, is there?

The WITNESS: No, there is nothing in the Act to prevent it; but we have been delaying the crystallization of any definite administrative policy along these lines until the over-all numbers affected are clarified and until some changes are made in the War Veterans' Allowance Act which would at least give the administration of this Act some sound basis upon which they could consider cases of that kind. I do not think the War Service Grants Act will be before this committee this session—the War Veterans' Allowance Act.

The CHAIRMAN: It strikes me that there was a recommendation of a parliamentary committee about three years ago that you could take assignment of part of the war veteran's allowance to cover a contract made with your board, and I wondered what you had in mind when you said that you would like to have some other provision made?

The WITNESS: Well, the arrangement we have up to the present time with the War Veterans' Allowance Board is one of convenience, carrying out the intent of the recommendations of a parliamentary committee of three years ago. It is my understanding that an amendment to the War Veterans' Allowance Act that will come before this committee regularizes that arrangement by an amendment to that Act.

The CHAIRMAN: I think that is already in force. It was passed two years ago, was it not?

The WITNESS: I do not think so.

The CHAIRMAN: It was passed following the recommendation of that parliamentary committee.

Mr. WOODS: It appears as an amendment in the present bill.

The CHAIRMAN: Is it in force by order in council?

Mr. WOODS: Not that I am aware of. Mr. Murchison would know that.

The WITNESS: I think, Mr. Chairman, that the point raised by Mr. Wright has a more definite relationship to some of the opinions which have already been accepted by various members of this committee in regard to this whole small holding part of the Act; and with your permission, sir, I would like to put a few observations on the record, because I feel that after reading the proceedings of this committee there is a possibility of some misunderstanding of the true position of the veteran at the present time.

During the first four meetings of the committee considerable discussion centered on the merits or demerits of the small holding part of the Veterans' Land Act. After reading the minutes of proceedings and evidence relating to these meetings, the criticisms of the members appear to centre on two main

points: first, that the original intent of the Act is being distorted by the establishment of too many small holdings which have the appearance of a thinly camouflaged housing scheme; and, second, the undesirability of establishing veterans on small holdings in fairly large concentrations.

That is what I gather generally from listening to the observations and from reading the report of the proceedings.

The discussion which has taken place up to the present time with regard to small holdings as compared with discussions centering on purely agricultural establishments would, I think, tend to create an erroneous impression as to what is actually going on.

Minutes of proceedings and evidence No. 17 contain appendix "E" and appendix "F", which set out in statistical form the extent to which purely agricultural establishments have been provided for, and the extent to which attention has thus far been given to small holding establishments. Appendix "E" shows that as of October 31 last there were 901 farming establishments approved and 419 pending, for a total of 1,320. Appendix "F" shows there was a total of 1,062 small holding establishments approved and 409 pending, for a total of 1,471, a difference of only 151 between the two classes.

I should also remind the committee that while we had only 1,320 farming establishments approved or pending as of October 31, we have approved the purchase of 3,874 farm properties comprising 433,140 acres, at a cost to date of \$9,267,640 as compared with the purchase of 20,424 acres for small holding properties at a cost of \$4,306,280, to which must be added, of course, the cost of erecting the new homes required. These figures are contained in appendix "D", page 658.

Looking to the immediate future and basing our estimates on the volume and class of applications now being received, we estimate that by the end of 1946 we will have received 14,276 applications for qualification as farmers, 20,040 as small holders and 1,464 as commercial fishermen. I have recorded my opinions with the committee that we will not be able to accommodate all these men because of the physical difficulties involved.

The time has come when I must formulate estimates for submission to parliament in regard to our 1946-47 settlement operations and in doing so I am using the following figures:

6,500 veterans established as full-time farmers under sections 9 and 13.

3,000 veterans on provincial lands and Indian reserves.

6,000 veterans on small holdings including commercial fishing establishments.

A total of 15,500 establishments for the fiscal year 1946-47.

I mean, Mr. Chairman, that if we succeed in establishing that number we will have done very well in the face of the great physical difficulties ahead both as to acquiring land and as to acquiring the necessary building materials and labour and that sort of thing that go into a settlement operation.

I suggest these figures are the best answer to any argument that the original purpose of the Act has been lost sight of, because at no time since this Act was first developed has there been any thought that the number of veterans established as full-time farmers would nearly equal the number established as small holders.

I wanted to put these observations before the committee before opinion crystallizes too far that there is something fundamentally wrong about the manner in which this Act is being interpreted and administered. However, if the present scope of the Act should, in the opinion of the Committee, be restricted, then I suggest that such restriction should take some statutory form, and if there should be statutory restrictions I respectfully submit that there should be some indication of workable alternatives in other directions, bearing in mind that idealistic plans must often give way before practical necessity.

In common with all other administration of the various Acts in the rehabilitation of veterans, I am under instructions from my minister to administer this Act generously within the law. Now, that I have attempted to do thus far. That is what we intend to do in the future; and I feel it would be rather unfortunate, Mr. Chairman, if because of the discussions which have thus far centered on our small holding operations, any impression gets abroad that that is the only thing this department is paying any serious attention to. The figures I have just quoted indicate the extent to which we have gone along the lines of agricultural settlement. I think the observations I have made on this point, Mr. Chairman, have some particular relationship to the problem which was raised a few moments ago by Mr. Wright when he mentioned the problems concerning large numbers of members of the Veterans Guard. There are going to be a large number of them, who, in the course of time, will be seeking establishment under this Veterans' Land Act on small holdings. As long as the Act is as it is it is not going to be possible to say to these men: "No, you have no business here; you have served; you have the military service to your credit." We cannot throw them all aside and say, "You are too old." I feel that there will be a number of the members of the Veterans Guard, single men, whose future should be looked after in other ways rather than under this Act. At the same time, I am convinced from information we have that there are quite a number of members of the Veterans Guard who are married people and who are going to need some modest housing within their means if their families are going to be looked after at a reasonable level. So I wanted to say, Mr. Chairman, that if our activities on the small holding part of the Act thus far have been leaning too far in that direction, just what are we going to do to meet problems of the kind that have been raised by Mr. Wright in regard to those worthy old fellows who served in two wars?

MR. WINTERS: Mr. Chairman, may I say a word or two? There are, of course, veterans of both wars who are not too badly off financially—their circumstances are good. Two in particular have come to me—one is a major and one is a captain—and they have said that they applied for benefits under this Act and were rejected on the grounds that they were veterans of both wars and therefore were not eligible. I believe that is a misunderstanding, and I would like to have that point cleared up certainly, because I believe the impression is around.

THE WITNESS: I have been asked on more than one occasion to attend meetings of organizations of the Veterans Guard to explain to them just what we are prepared to do under the Veterans' Land Act. Now, as I said a few moments ago, we have not allowed our administrative policy to crystallize in that direction until we see just how this whole problem is going to clarify—how many there are going to be, what government policy is going to be generally with regard to that class of veterans.

MR. WINTERS: I understand it is not true that they are automatically debarred?

THE WITNESS: No.

MR. BENTLEY: In that connection I should like to ask the director something. Let us take a hypothetical case—because I know there are some cases of this kind: assuming that a veteran of both wars is around 48 or 50 years of age—there are some like that—and in pretty good, vigorous, physical condition, and he had been a settler under the Soldier Settlement Act and had liquidated either by signing a quit claim deed or in some other way and was still in debt when he did it. Has his debt been wiped out, and will he be eligible under section 9 of this Veterans' Land Act if in the opinion of the director he is vigorous enough and young enough to do the work?

The WITNESS: Mr. Chairman, the soldier settler remains indebted to the director of soldier settlement unless he has paid off his loan. Now, if he has given a quit claim deed or he has abandoned his land and it has been sold at a price that does not cover his full indebtedness, as the Soldier Settlement Act stands he is still indebted to the director of soldier settlement. Ways and means, I think, are open, in western Canada at least, for veterans in that class to have that deficiency cancelled by an application under the amended Farmers' Creditors Arrangement Act for the extinction of that debit balance of the soldier settler. We have had a few cases along that line up to the present time, and we have indicated to the people concerned that if they wish to submit an application under the Farmers' Creditors Arrangement Act for the extinction of that debit balance I as director of soldier settlement will not oppose that application.

Mr. BENTLEY: Mr. Chairman, I think you said I could ask another question before this matter is closed.

The CHAIRMAN: We are not really finished, because there are one or two things with regard to the bill which I want to bring before the committee. Is this of a general nature?

Mr. BENTLEY: I have two questions, one of a general nature, which I will leave, and one of a specific nature, which I will ask now. As regards veterans setting in the province of Saskatchewan under the Veterans' Land Act, do those veterans come under the protective legislation of that province?

The WITNESS: I suggest that Mr. Bentley's question might be directed to the Minister of Justice.

Mr. BENTLEY: If that is a too difficult question for the director to answer I will do that.

The CHAIRMAN: I think myself that the land is held by the Crown and land held in the right of the dominion is not bound by any legislation passed in the right of the provinces. I think that is the reason why in the Housing Act the land is held in the name of the Crown. It is to prevent that happening. That is my impression.

Mr. BENTLEY: I wonder if we could get an authoritative reply to that question some time?

The CHAIRMAN: Yes.

Mr. CRUICKSHANK: I should like to ask a question in regard to a letter I received from Mission, B.C. This is a case of a veteran of both wars who is 53 years of age and has four children and has a dairy farm on which he still owes the Soldier Settlement Board. I want to have it fixed clearly in my mind whether he is eligible for assistance or not—to pay off that indebtedness or to purchase additional stock. This man is only 53 years of age and I presume he is in good health, although I do not know the man. I do know the farm and it is a good farm, a dairy farm. He has four growing children, and they are an ideal asset—much better than the wife on a dairy farm—and he finds himself coming back and needing more stock and improvements to his house which he could not handle on a private soldier's pay while he was in the army. Now is he eligible in some way or other to get assistance?

The WITNESS: There is no financial assistance that we can give him under the Soldier Settlement Act, because we have not been making any further advances to soldier settlers for many years. The shoe has rather been on the other foot; we have been writing off the debts of soldier settlers. We would be rather inconsistent if we were to engage in a program of writing off debts on the one hand and increasing them on the other. There are quite a number of soldier settler accounts—I am not trying to drag soldier settlers into this discussion—but there are quite a few of the current soldier settler

accounts which have been drastically adjusted under an order in council passed in 1942 providing for the writing down of excess debts. Now, I have taken the position that in any case where we have written down a man's debt under that order in council and then he comes around and wants to sell that land to me as director of the Veterans' Land Act at a price in excess of the value at which it was fixed under that order in council, that I would be a very bad administrator if I turned around and bought that land from him for more than I agreed that it was worth maybe six months previously.

As regards the case you mention, Mr. Cruickshank, if you would let me have the identity of the case we could have a look into it and if the man is prepared to pay off his indebtedness to the director of soldier settlement then we are prepared to consider what might be done by way of advances under the Veterans' Land Act—probably under section 13.

MR. CRUICKSHANK: That is the point I was getting at.

THE WITNESS: I am not making any promise that it can be done because it involves a survey of the new loan.

MR. CRUICKSHANK: Well, I hope you can fix that up. Now, I have another letter from Vancouver this morning. This man says that this has to do with your department. He says he set his son upon a farm with no loan or application. The father was in a financial position to do that. When he went to get a tractor for his son's farm—remember he is not making any application for loan—he went to a machinery company in Vancouver to buy a tractor and he was told by the machinery company that he must have a letter from the Veterans Affairs department before he could get a tractor. If that is correct, I think it would be a good idea for your department to protect the men who are trying to get settled up. Surely your department would be willing to give a letter to a returned soldier when his father is going to set him up. I do not know whether that is correct, but I am informed that it is.—A. Mr. Chairman, we have had a procedure in force now for several months meeting that very type of situation. By arrangement with the machine companies we furnish a veteran with a certificate, certifying that he is a veteran as defined by the Veterans' Land Act. But we are not establishing him on the land. He is establishing himself. And by the production of that certificate to the machine company, the machine agent in the district, he has access to whatever tractors there are available by the rationing officer in the district. As I said the other day when we were discussing machinery, we have made heavy cut-backs to the companies on machinery we ordered; and so far as I know, practically all of that machinery has been distributed by the various machine agents to veterans in the very class that Mr. Cruickshank mentioned.

Q. Yes. But the point I am getting at is this. This man says—and the director follows it out—that your department are giving letters. What I want to know is do they have to be under the Veterans' Land Act?

SOME HON. MEMBERS: No.

MR. CRUICKSHANK: That is just the point. I am getting answers from all sides here, so I must be right. I understand that this man applied and he is a very responsible business man in Vancouver. He applied to your representative in the Rogers Building and they said they were sorry they could give him no letter because he did not want to borrow money. If he would come and borrow money, they could give him a letter. He is a bona fide soldier, the only difference being that his father paid for his farm and set him up.

THE WITNESS: There must be something wrong in that some place, because we have developed that procedure all over Canada.

MR. CRUICKSHANK: That makes two things we have got straightened out this morning.

The WITNESS: We have developed the procedure of issuing of identification certificates so that men in that class could get access to machinery that was available.

By Mr. Cruickshank:

Q. Of course, if it were available.—A. Yes.

Q. If I give you that man's name and address, then you can see that he gets it.—A. We will do what we can.

By Mr. Harkness:

Q. I should like to go back to this age question trouble. There is a general impression around Calgary that the department has set up an age of 45 and that there is no use of a man applying to go into farming operations particularly if he is over that age. I personally talked to one man about 48, I think he told me he was, who had applied and been turned down, having been told that he was considered a bad risk on account of age. I should like to ask the director if, from the practical point of view, the department is turning down all applications of men over 45.—A. No. We are not turning them all down over 45, but we are screening them pretty closely. There have been men established under this Act who were above the age of 45. I have personally seen a couple that were about 50, but they were particularly good, rugged types of men. I cannot tie myself down to any deadline as to age. It is a matter of age combined with quite a number of other factors—age in relation to health; age in relation to physical condition; age in relation to assets; age in relation to a man's family assistance and things of that sort. These all must be taken into account in surveying a man's over-all qualifications.

Q. You say these applications are screened very carefully. I take it that, practically speaking, very few people over 45 are accepted; in other words, for practical purposes, that is to a large extent the age limit?—A. They are very closely screened, particularly so far as establishment as farmers is concerned; because we know from a good deal of experience, as does every man on this committee, that whatever problem there is now in connection with soldier settlement operations centres to a large extent on men who were established under that Act beyond an age when they could expect to complete their agreement during their working years. Suppose we started establishing large numbers of veterans who are in the age bracket of say 45 to 52, under a 25-year agreement: I think it is obvious to every one that the average person has passed his best working years at 55, so far as hard work on a farm is concerned. I cannot see very much common sense in loading up a worthy old veteran, say at 50, with quite a substantial financial obligation, in the knowledge that he just has about 5 good years in which to get on top of it. It is quite a different thing if you are dealing with a pensioner who is going on a small holding; his needs are modest, his actual commitment is small. It could be met on a monthly basis. But for an aged veteran to go into a full-time farming establishment, where he has very limited family assistance to help him out, then I think as a matter of general policy we would be heading that veteran towards a difficult situation in a relatively short period of time.

Q. Mr. Chairman, I am not questioning the wisdom of that, so far as full-time farming operations are concerned. All I was trying to get was information to get was informations as to whether that limit actually existed or not, because we get various inquiries in connection with it. However, as far as small holdings are concerned, I should think, particularly far men up to at least 50 years of age, it should be an ideal way of re-establishing large numbers of them. I also understand that a considerable number of people are turned down for small holdings on account of age. I have two or three letters, one particularly from a chap who was my batman for some three and a half years overseas, who

is a man I think of 49 now. He has been turned down at Summerland, British Columbia, for a small holding; in spite of the fact that his wife had the place rented and had made a living off it for herself and children during the time he was overseas, he was still turned down on account of age. In cases of that sort, I think there should be a considerable amount of broadening as far as the administration of the Act is concerned, in order to enable men in the older age brackets to establish themselves on small holdings.—A. I am very glad to have that expression of opinion, Mr. Chairman.

The CHAIRMAN: Shall we carry the last clause, clause 7?

Some Hon. MEMBERS: Carried.

Clause 7 agreed to.

The CHAIRMAN: Just in conclusion, I should like to bring up a couple of points. First there is the question of the suggestion about assigning a portion of the War Veterans' Allowance to cover bills that might be met or be payable under the Veterans' Land Act. That is found in clause 16 of the proposed draft bill in regard to War Veterans' Allowances and it has a marginal note referring to the statute which allowed him to apply it, as though it had actually been passed; but apparently it was in the bill proposed to be laid before this committee providing that an amount up to \$15 per month could be applied against an indebtedness of a recipient under the Veterans' Land Act. That is something that perhaps we might discuss before this session is over, whether we want to provide that power to any person in receipt of moneys under the War Veterans' Allowance Act to assign a portion of that, if he can get settled on a small holding under the Veterans' Land Act. I suggest that the committee give some thought to the matter with a view to considering it and perhaps making some recommendation about it, so that some of these very fine people who have served in both the last war and this war may be able to spend their declining years under their own vine and fig tree. That appeals to me very much, the idea of their getting a small holding at perhaps 50 and being able quite easily to handle it, if there is some provision for them turning over a share of their War Veterans' Allowance. However, I think it is a matter that the committee might give some thought to, because I doubt very much if we will be able to consider and actually recommend the whole of the War Veterans' Allowance before we are through this session. Therefore I would recommend that to your consideration, with the idea of making some recommendation.

Then there is another matter which I think we should deal with, and that was the question that Mr. Quelch raised about whether "person" includes a woman in this Act, and some suggestion that we should say definitely that it includes C.W.A.C. and so on and so forth. I have thought about that, and when "person" definitely is presumed to include a woman, no matter what branch of the service she is in, by our Interpretation Act and is so interpreted by our administration, then we might find if we attempt to define it that we had perhaps excluded somebody that we may want to bring under the benefits of this Act now or later on. So my submission to this committee is that we leave "person" the way it is and not to define it in any way shape form or manner, because it includes everybody now; and the moment you start defining you find, in law, that you have probably excluded somebody. What is the feeling of the committee about that.

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: Is that satisfactory, to leave "person" the way it is? Because we know it does include everybody now who served in the services.

Some Hon. MEMBERS: Yes.

Mr. Ross: You say it does include everybody now?

The CHAIRMAN: Yes, women or men. If we start saying that it includes C.W.A.C. or somebody else, we may find that we have left out nurses, such as the South African nurses or something like that.

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: The next thing is the definition we spent a good deal of time on, that of "veteran". It has been brought to my attention that in clause 1 (d) and (i) it refers to "has served in a theatre of actual war, as designated by the Governor in Council under the authority of the Pension Act". We all know what was intended by that, but I am told that that has a very obscure legal effect. It has been suggested, I think, that we should clarify that; and I have an amendment here as to which I must say I have my doubts whether it includes certain people that I am sure are intended to be included by this committee. There is the question of people going out over the ocean in the air force and in naval ships. Does your study of this, Mr. Gunn, indicate to you that they are included in this?

Mr. GUNN: No, Mr. Chairman, not unless they have at least 12 months' service.

The CHAIRMAN: I think that has been overlooked. What I suggest to this committee is this. Our idea was, as I understand it, that a person who had done overseas service within the meaning of the War Service Grants Act—that is including the Aleutian Islands, Iceland but not including Newfoundland—should get the benefit of this Act no matter how long their service was, and also including people who fly over the ocean or go out in naval ships of war. That is in the War Service Gratuity Act. Then as to the people who had only service in Canada, which would include Newfoundland, if their paid service was up to one year, our idea was that they should have the benefits of the Act; and that people who had been on service who were pensioners, no matter how long their service or how short, they should receive the benefit of the Act. That was clearly, as I remember it, the intention of the committee. If that is correct, then I should like to have your authority to embody that in an amendment to clause 1 which we will have mimeographed and circulated tomorrow, and which will be in place of the section as we originally passed it. Is that satisfactory? I think I have correctly stated the intention of the committee, that we should have overseas service as defined in the War Service Grants Act: everybody who served outside of the western hemisphere, which is defined; everybody who served in an air crew flying out across the ocean or in a naval ship of war as defined in the War Service Grants Act and anybody who served in a merchant ship. That also was the idea, and then people who served in the western hemisphere for one year or who were in receipt of a pension. I think that was clearly the intention of the committee.

Mr. WRIGHT: And members of parliament.

The CHAIRMAN: And members of parliament. If it is your wish, we will get that actually embodied and circulated so that it will not take long to pass it to-morrow.

Then there is one other thing. We will put in that proposed amendment, also an amendment changing section 5 (a) so that it will read "'Minister' means Minister of Veterans Affairs". Is that carried?

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: That is agreed. That will mean that we will have the bill ready to report to the house after we have considered what we will do in the light of the representations that we hear on Friday next.

The other item is the report of the subcommittee in regard to regulations governing the discharge of members for misconduct. We advised the deputy ministers of the services, on November 13, of the contents of this recommen-

dation and asked them if they had any comments or submissions in regard to the matter. We have not heard from them—that was the 13th and this is the 22nd—so I think we can take it that they are quite satisfied with the recommendation of the subcommittee. So I suggest that the members have a look at it. It is found in the records, number 16, page xvii; there you will find the recommendation of the subcommittee and I suggest we consider it also tomorrow if we have time, so as to embody that in the report to the House when reporting this bill. If it is the wish of the committee to discuss that subcommittee report now, we can do so or we can leave it over. If there is nothing else, we can adjourn now, as I say, with the idea of meeting and finishing it all up tomorrow.

Mr. WOODS: What about members of parliament, Mr. Chairman?

The CHAIRMAN: We will embody that. Have you that ready, Mr. Gunn?

Mr. GUNN: I have.

The CHAIRMAN: If you have it ready, we might put it through now.

Mr. GUNN: Mr. Chairman, it is proposed to amend the Veterans' Land Act by adding thereto a new section to be known as section 39 and reading as follows:

Notwithstanding the Senate and House of Commons Act or any other law, no veteran, by reason only of his entering into a contract or receiving a benefit under this Act, shall be liable for any forfeiture or penalty imposed by the Senate and House of Commons' Act, or disqualified as a member of the House of Commons or incapable of being elected to, or of sitting or voting in the House of Commons.

That, Mr. Chairman, is intended to take care of any possible disqualification of a member of parliament by reason of having entered into any contractual relation with the Crown under this Act.

The CHAIRMAN: Is that satisfactory?

The WITNESS: I was wondering, Mr. Chairman, whether that amendment should not be to the Senate and House of Commons Act rather than to the Veterans' Land Act. Also, you are confining this to members of the House of Commons.

Mr. GUNN: No.

The WITNESS: To the Senate?

Mr. GUNN: Yes.

The WITNESS: I am only a layman, but after all laymen to-day are administering and interpreting quite a few statutes; and speaking purely for myself I think that an amendment of that kind should be under the Act which controls it rather than under the Veterans' Land Act. You are amending another Act by amending the Veterans' Land Act.

Mr. ROSS: I think the views of the director are in order. While it is well to include it in our Act, it would not hold any water if the House of Commons and Senate Act were not likewise amended, which would override this.

The CHAIRMAN: No, this is a special Act, and a special Act always overrides a general one. There is no question about it. The counsel for the department has very carefully considered this matter. There is a great deal to be said for Mr. Murchison's idea, and the only reason we are putting it in this Act is that there is a question of opening up the Senate and House of Commons Act, and if we put it in this Act it is there. Now at the next session it might be possible to get the Senate and House of Commons Acts opened up to cover everything. The reason for this is to make it very plain in regard to this Act. The Justice Department, as I said before, is considering

it. The only two Acts they seem to feel there is any real necessity for are this Act and the Veterans' Insurance Act. As I said before, I think myself that in fairness to men who are veterans and members of parliament in the House of Commons and the Senate the present position in the House of Commons and Senate Act should be amended to cover everything. This will certainly protect anybody coming under the Act because a special Act always overrides a general one.

Mr. ROSS: Do you remember what was done in the case of the Prairie Farm Assistance Act? Was there protection? Was there no other amendment?

The CHAIRMAN: My recollection is that it was just the Prairie Farm Assistance Act which was amended.

Mr. BROOKS: May I ask what would be the effect on members of local legislatures? Are they affected in any way by taking advantage of this?

The CHAIRMAN: This only applies to contracts with the Crown in the right of the dominion.

Mr. GUNN: Members of this House.

The CHAIRMAN: Both the Senate and the House of Commons.

Mr. ROSS: Is a member of a legislative assembly under the provincial statutes forbidden to participate?

Mr. BROOKS: I think under some provincial Act he is prevented from making contracts.

The CHAIRMAN: That would be a matter for their own internal arrangement.

Mr. BROOKS: If we are putting this in for one it should be for the other also.

The CHAIRMAN: We would have no right to legislate for the members of a legislature. In regard to payment to people of dependents' allowances there was a provision that if a member of parliament or of a legislature was in receipt of money from a public body, either a legislature or parliament, that should be taken into consideration; and this is to protect the man who does get benefits, and I think we would probably come under great censure if we undertook to say what a member of a legislature could do or could not do.

Mr. HARRIS: I agree in principle.

Mr. McKAY: I believe that this committee should send a request to the local legislatures suggesting they pass legislation to protect the members of the legislature.

The CHAIRMAN: A copy of our proceedings could be sent to them. I think that might be a good idea. I think I am right in saying that it is for them to protect themselves.

Mr. GUNN: Yes, I agree.

The WITNESS: Might I ask if the proposed amendment would exclude a member of the House of Commons or the Senate from selling property to the director of the Veterans' Land Act?

Mr. GUNN: It would, unless he is a veteran himself. This applies only to a member of the House of Commons or the Senate who is himself a veteran and is himself taking benefits under this Act; he is becoming a settler.

Mr. HARRIS: Does that refer to the veterans of either war?

Mr. GUNN: A veteran as defined in this particular Act. At the present time we have not worked out a final definition. As the chairman mentioned this morning, this matter still needs a little consideration; but it means a veteran as defined in this particular Act—the Veterans' Land Act. That is all we are dealing with.

Mr. HARRIS: That is only the present war.

Mr. GUNN: Oh, yes.

The CHAIRMAN: With regard to the point raised by Mr. Murchison, a man might be a member of parliament who is not a veteran and he might wish to sell his land to the Veterans' Land Act administration with the idea, perhaps, of his son buying it under section 9. Now, it was the feeling that we should not carry this permission to members to deal with governments any further than to permit them to do this. If you go further than that and say that members of parliament can make any dealings with the director of soldier settlement or the Veterans' Land Act you probably are going further than would meet with the approval of our people. Now, does the committee wish to express an opinion on that? My own feeling is that the Independence of Parliament Act not only protects the independence of parliament as such but it is a great protection to the members, because there is always the question when members are dealing with the government that there has been something, perhaps unduly favourable in that deal with that member. It is very unwise for them to get into any transactions with the government. It seems to me that we should be very careful in entrenching on that in any way except in so far as it gives the right to veterans. That is my own feeling, and I think it is the feeling of the administration. I do not know whether it is the feeling of Mr. Murchison or not. If the committee wish to express any opinions on this matter they would be gratefully received.

Mr. EMMERSON: In a case where there is a desirable piece of land that the administration desires to get it could be done by expropriation.

The CHAIRMAN: The Crown can expropriate under the Expropriation Act and the member would not be adversely affected by that.

(Further discussion off the record.)

Mr. BENTLEY: Could I go ahead with this, Mr. Chairman? It has something to do with the Veterans' Land Act. It is rather general. Several of us have had letters from people suffering from this particular disability, so that, the question is this. Epileptics or veterans suffering from certain other physical or mental handicaps may be barred from satisfactory rehabilitation in small business or as craftsmen or as full-time farmers due to the nature of their disability, and yet may make a success of certain types of occupation on a small holding where the veteran does not have to meet the public or does not have to handle high-speed machines. Will the director please make a statement as to his department's attitude to the establishment of such a veteran on a small holding as a full-time rehabilitation measure?

The WITNESS: Mr. Chairman, it is pretty hard for our administration to draw any clean-cut lines as to what type of disability constitutes an effective barrier from establishment under the Veterans' Land Act. We have thus far taken the ground that this administration should not attempt to settle any veteran who is suffering from a disability of a type that calls for recurring institutional care. We feel that is a class of veteran that should be looked after by the hospital or treatment services of the Department of Veterans Affairs or the medical branch of the department. We have had applications for establishment on small holdings by men who are suffering from tuberculosis, men who must be called back into treatment institutions periodically for observation, men who might spend a considerable period in a tuberculosis hospital. We do not feel, until that man has been properly certified by the responsible medical authorities that his disability has reached an arrested stage, where he has a reasonable expectation of carrying on the occupation from which he earns his livelihood, that we should bring him under the Veterans' Land Act. We have had epileptic cases where we fully appreciate the very tragic position confronting the veteran concerned, but thus far we feel that that is a type of disability

that should bar a man from establishment of this kind, because there is the assumption of a debt contract. We never know when a veteran of that class is going to have a seizure or under what circumstances. We feel, rightly or wrongly, that we would be invading another field of rehabilitation or after-care that is taken care of by other branches of the department.

It is a very difficult thing for us to handle. All I can say generally is that we are endeavouring to use common sense in dealing with that type of veteran. I do not know that there is a great deal more I can say about it; but we do work in close co-operation with the responsible medical authorities of the department, and when we are in doubt as to the physical condition of an applicant we consult those authorities for advice and direction as to what should be done. You will realize, I am sure, that with epileptic cases it would be the worst kind of business on our part to establish a veteran in any way that would expose him to serious hazard. Certainly we could not justify establishing a veteran afflicted with epilepsy, and allow him to go out with federal government blessing to operate machinery and run the risk of maybe losing his life. There are so many other types of employment in which veterans might gain their livelihoods in connection with small holdings that no hard and fast rule can be laid down other than this, that the epileptic generally is in a very difficult position; he is facing a very difficult problem in finding steady employment. We have encountered a few already where once that disability became known to the man's employer, he had to discontinue that man's employment. So you see that some care has to be taken along those lines.

By Mr. McKay:

Q. You would have to have medical advice anyway?—A. Yes.

Q. Before you make a decision?—A. Yes.

By Mr. Moore:

Q. I should like to ask a question in connection with a letter I received yesterday morning from a man who volunteered for general service in 1940. He was placed in the post office department of the army and was found very efficient in that position. He faces discharge at the moment and he would like to go on into the postal department in the civil service, but he has been informed that those who had service overseas will come before he will in the allotment of such positions. Would it be possible to have such positions available to all people who wear the G.S. badge during World War II?

The CHAIRMAN: Gentlemen, this is one of the questions which this committee will have to deal with, and I had hoped that we would be able to spend at least one day on it this session. There are such strong opinions held on both sides. There is the opinion held that everybody who volunteers should get the preference and there is the feeling that only those who served outside of the western hemisphere should get it. We run into situations such as the one which has been mentioned where you may have a man who has spent hundreds of hours flying on instructional work in Canada, maybe in bad weather, and he thinks that he has risked himself as much as somebody who got as far as England for a short time. The question is a very difficult one, and the attitude up to now has been to give the preference to those who have served outside of the western hemisphere. This committee will have to study that matter and hear recommendations on it, and I believe it will take quite some time to come to a decision.

Mr. MCKAY: Could the steering committee take some time on this?

The CHAIRMAN: I did mention the matter to the steering committee last night, and I said that I felt we should try to spend one meeting on it. It is something that the members might want to say something about. There is another point I should like to mention. I have been thinking about the sug-

gestion of sending our proceedings to some officials in the legislatures. I shrink very much from in any way attempting to suggest or dictate anything to a legislature especially when what we are recommending is not even law. I suggest that the members of the legislatures will know what we are doing and they will bring the matter up in their own way. I hesitate very much having anything go from this committee in the way of a suggestion that might be regarded as presumptuous on our part. However, I am in the hands of the committee on this matter.

Mr. McKAY: Mr. Chairman, there is one matter on which I would like to have Mr. Murchison's opinion. It has to do with the question of securing lands for veterans, particularly in western Canada. I believe the same situation exists in the east to a certain extent. There are what we call submarginal lands, and the margin sometimes between the submarginal lands and quite good arable lands is very narrow; sometimes it depends simply on weather conditions. The condition may exist over one, two, three or four years. We have the situation of young chaps coming back to their homes located in submarginal lands—homes that have been established over a period of twenty-five or thirty years and where people have made a very satisfactory livelihood. They have equipment to carry on their farming operations. I understand that in many cases boys have requested property under the Veterans' Land Act in areas such as I have indicated and have been turned down because the land is classified as submarginal and, of course, subject to drought and other conditions such as we know, and of which westerners have had experience in the last fifteen or twenty years. The situation is such that these boys are being told that they must go to the north—certainly not the central part of the province—to get land, in a district with which they are wholly unfamiliar, particularly in the bush country. Everyone knows that the type of farming carried on in the bush country is altogether different from that carried on on the plains of the south. I should like to have Mr. Murchison's opinion. I know this is a difficult question to answer, but I think it is something that should be considered. These boys are looking for assistance, and I am quite satisfied that in many cases—if not in the majority of cases—they would be very much better there with that assistance than they would be up in the north country in bush land with which they are totally unfamiliar and where they have to finance the whole operation themselves.

The WITNESS: Mr. Chairman, as the member has just stated, it is a very difficult question upon which to make any hard and fast pronouncement.

By the Chairman:

Q. You are quite in agreement with him on that?—A. Yes. I agreed with him up to that point. I should like to remind the committee that, when this Act was in its formative stages back in 1942, we had quite a few expressions of opinion that there must be a great deal of care taken in the establishment of veterans on land which held very little promise for successful establishment. That was impressed on our minds most forcibly by members of the 1942 committee, and quite rightly so. The area in Saskatchewan, for instance, where this problem arises is, of course, that part of the old Palliser triangle where drought conditions are more or less constant. Thus far we have not received any great number of requests from veterans themselves to become re-established in those very hazardous areas. I think the answer for that is readily found in the fact that a great many of those boys enlisted from those districts at a time when conditions were probably at their worst, say in 1941, which was the year of the worst crop disaster we ever had in the province of Saskatchewan. Now those boys are coming back and while there have been good crops during the period of their service overseas, they are returning today and being discharged to find almost identical conditions.

They are back in another crop failure year. That explains, I am sure, to a large extent, why there have not been any large number of veterans who enlisted from those districts seeking re-establishment under the Act there. We have a few, but it is very noticeable that quite a lot of them are moving to the northern districts or to northern Alberta or to British Columbia.

I was faced with the responsibility of having to outline some administrative policy along those lines not only for western Canada but for the whole of Canada. I have always taken the ground that this administration could not, for obvious reasons, draw some arbitrary line around any particular community in Canada and say, "That is forbidden." In other words we could not say we are going to publicize to the world that that community there, where many people have lived practically their whole lives during good years and bad, is not going to be considered for the purposes of this scheme. We could not do that. But I felt that we could safely take this ground, that any veteran who derived from such a district who wished to go back to that district, and who could satisfy the administration that his land establishment proposal was of a nature that promised some reasonable degree of success, we are prepared to consider it; but we are not prepared as a matter of policy to encourage veterans from other parts of Canada to move into a district with a hazardous record of that kind.

Q. I was not suggesting that.—A. No.

The CHAIRMAN: That seems very reasonable.

Mr. McKAY: Yes. That is fair enough.

The WITNESS: That is as far as I can go on that.

The CHAIRMAN: Well, shall we adjourn?

Mr. BENTLEY: There is one correction there which I should like to make so that the director will not be subject to too much criticism.

The CHAIRMAN: You mean about the year?

Mr. BENTLEY: I think he had better correct his statement about 1941 being the worst year. I think 1937 was the worst year.

The CHAIRMAN: That is probably right, that 1937 was the worst year. We will adjourn now until to-morrow at 10.30.

The committee adjourned at 12.40 p.m. to meet again on Friday, November 23, at 10.30 a.m.

APPENDIX A

AMENDMENTS TO THE TABLE OF DISABILITIES

Under the enabling authority contained in Section 24(2) of the Pension Act, I am pleased to report that the Canadian Pension Commission, after lengthy research and study, has authorized an upward revision in certain disabilities with effect from October 1st, 1945. The main changes are as follows,—

- (a) Where formerly total loss of hearing in one ear was assessed at 15 per cent and in both ears at 50 per cent, the amendment permits of an increase to 20 per cent for total loss of hearing in one ear, and 80 per cent for total loss in both. For degrees of deafness less than total, an upward revision is also authorized.
- (b) Where formerly 15 per cent was granted for a complete ulnar nerve lesion, the amendment permits of an increase to 30 per cent. (The ulnar nerve lies along the medial or inner side of the arm, and supplies certain muscles in the forearm and hand.)
- (c) An increase in the amount of attendance allowance as provided in Section 26(1) of the Act has been authorized in certain double amputation cases.
- (d) The Table has been amended to clarify the Commission's policy in respect of multiple disabilities. Section 11 of the Table formerly read as follows:—

11. Where more than one disability exists, the total disability is not to be estimated by the simple addition of the percentages at which each disability is assessed in the Table; but by an estimation, assisted by an inspection of the Table, of the extent or the total disability existing in the person concerned. A total disability cannot be said to be greater than 100 per cent.

This Section has been amended to read:—

"1. Where more than one pensionable disability exists, the combined assessment will be based on the combined disablement as a whole, but in no case will the combined assessment exceed 100 per cent.

2. When the separate pensionable disabilities are the result of wound, injury or disease and confined to, either the extremities, the eyes, the ears, or vital organs, and the disabilities have entirely independent functional effects, extreme care will be exercised in assessing each disability separately, and the composite assessment will be the arithmetical sum total. (Not exceeding the 100 per cent.)

3. When the functional effects of the pensionable disabilities do overlap, the combined assessment after inspection of the Table, will be based on the disablement as a whole. (Generally speaking, such overlapping is usually found in separate disabilities of the vital organs.)

4. Where there is damage to paired organs, the arithmetical sum of the separate assessments may fall short of the true degree of entire disablement. In such cases, after inspection of the Table, the composite assessment is to be made at a percentage which represents a true estimate of the disablement as a whole, e.g., The loss of sight of both eyes is more than twice as serious as the loss of either, and again, a double amputation may be more than twice as serious as a single one at the same level.

EXAMPLE.—Loss of right thigh (mid third) 70 per cent
Loss of left eye 40 per cent.

Formerly the total disability would be assessed at 80 per cent on the grounds that there was overlapping of disability. Under the amendment, the combined assessment will be 100 per cent.

- (e) Where formerly 90 per cent pension was granted for loss of both feet where leg stumps are $4\frac{1}{2}$ " or longer, the amendment permits of an increase to 100 per cent.
- (f) The amendment to the Table includes additional provisions for certain conditions peculiar to the female members of the Forces.

Action has been taken to adjust pensions in payment in accordance with the changes as authorized.

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Canada. Veterans Affairs. Special
Committee on, 1945

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SESSION 1945
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 24

FRIDAY, NOVEMBER 23, 1945

WITNESSES:

Mr. W. S. Woods, Deputy Minister of Veterans Affairs;
Mr. W. G. Gunn, Counsel, Department of Veterans Affairs;
Mr. G. Murchison, Director, Soldier Settlement and Veterans' Land
Act;
Messrs. E. N. Rhodes, G. Barrett-Hamilton, J. P. Roberts, E. J. Oliver,
Kennett Lyle and Col. E. J. Cleary representing the Canadian Asso-
ciation of Real Estate Boards.

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1945

MINUTES OF PROCEEDINGS

FRIDAY, November 23, 1945.

The Special Committee on Veterans Affairs met at 10.30 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Adamson, Ashby, Baker, Belzile, Benidickson, Bentley, Brooks, Bruce, Cleaver, Cruickshank, Dion (*Lake St. John-Roberval*), Drope, Emmerson, Gauthier (*Portneuf*), Harkness, Harris (*Grey-Bruce*), Herdridge, Jutras, Langlois, Lennard, Marshall, Mackenzie, MacNaught, McKay, Moore, Ross (*Souris*), Tucker, Viau, Winters, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mr. W. G. Gunn, Counsel, Department of Veterans Affairs; Mr. G. Murchison, Director, Soldier Settlement and Veterans' Land Act; Messrs. E. N. Rhodes, G. Barrett-Hamilton, J. P. Roberts, E. J. Oliver, Kennett Lyle and Col. E. J. Cleary, representing the Canadian Association of Real Estate Boards.

The Chairman tabled a submission from the Deputy Minister of National Defence (Army) on behalf of the three armed services, relating to the report of the sub-committee appointed to consider regulations governing discharge for misconduct of service personnel.

(Printed as Appendix "A" to this day's minutes of evidence)

Mr. Gunn tabled explanatory notes in regard to the draft bill for the Veterans' Rehabilitation (Allowances) Act, which were ordered to be distributed to members of the committee.

Messrs. Rhodes, Roberts, Lyle, Barrett-Hamilton and Col. Cleary were called, heard, questioned and retired.

At 12.30 o'clock p.m., the Committee adjourned until Monday, November 26 at 11.00 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

ADDENDA

Minutes of Proceedings: November 16 and November 17 the name of Mr. Viau to be added to the list of members present.

November 20, the name of Mr. Lennard to be added to the list of members present.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, November 23, 1945.

The Special Committee on Veterans Affairs met this day at 10.30 a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Gentlemen, we now have the reply of the deputy minister, army, in respect of the recommendation of the subcommittee in reference to their report of the 13th instant. This represents the opinion of the three services. I think we will not be considering it before it will have time to appear in the record, so I will not take time to read it now, unless you wish me to do so, but will have it placed on the record.

Mr. VIAU: Yes, place it on the record.

Mr. ROSS: What does it deal with, Mr. Chairman?

The CHAIRMAN: We set up a subcommittee to deal with the position of the man who came before the Board of Review and obtained an order that he should receive his gratuity. Then the question was as to the extent to which he was penalized by having a discharge certificate which showed he had been discharged for misconduct which, of course, puts him under a great handicap in obtaining employment.

Mr. QUELCH: What was the reply, as filed, to the recommendation?

The CHAIRMAN: The reply is that they want to reserve their rights in order to give proper consideration to a man of long and good service. I will put it on the record and the committee will have a chance, I think, to consider it before we make our recommendation to parliament.

(Reply of deputy minister (army) appears as appendix "A".)

The CHAIRMAN: In pursuance of the recommendation of the steering committee we will take up the Rehabilitation Allowances bill on Monday. Our solicitor has prepared explanatory notes of each section, and these will be distributed today and put in the mail for the members for their use on the consideration of the bill.

In a rather hurried way at the last meeting I indicated the items that I thought we should try to discuss this session. After today, if we carry out the recommendation of the subcommittee, we will have six meetings. I suggest the items still to be considered are the Rehabilitation Allowances bill which, if we take two days on it, we shall conclude next week. That will leave us four meetings. Some of the things that were mentioned the other day, and that the steering committee considered that we should actually at least consider to the extent of getting representations on the record so that they will be before the country, before the committee and parliament before opinion crystallizes on them too much, are the following. There is the question of the recommendation of the subcommittee. There is the question of the pension submission of the Legion. There is the question of the civil service preference. There seems to be a very great volume of feeling both ways on that question, and I think we should hear the civil service submission on the thing at least, and perhaps discuss it shortly. Then there is the question that Mr. Murchison raised the other day and which I think is very important. He indicated that there was something he would like to see done in order to be enabled to help the Veterans Guard people under the Veterans' Land Act. I may have wrongly done so, but I took it

that he had in mind some such provision as was suggested in the permitting of assignment of part of the War Veterans' Allowance, if they wanted to get a small holding under the Act. Then there is the question, and the very important question, of loans to business and professional men. Then there is the question of our final report to parliament which will take. I am sure, one sitting. I am outlining this to indicate that I think we should try to get the Rehabilitation Allowances bill through next week without fail.

Is there anybody who would like to make any comment on these suggestions I have just made?

Mr. PROBE: The subcommittee report has passed this committee, has it not; that is, the one that you referred to this morning?

The CHAIRMAN: No. It was reserved for consideration by the committee.

Mr. HERRIDGE: When the question of the civil service preference comes up, will we have the opportunity also to discuss the veterans' preference in postal contracts? It is quite a question throughout the country, and the Legion has a resolution covering that point. I thought I would mention it.

The CHAIRMAN: I suppose it would come up under that. Then there is this other question coming up continually, the question of veterans who do not come under the Veterans' Land Act getting a discount on machinery and so on, the same as they would if they did come under the Act. There are several of these things that I feel we should at least consider for a short time before the session is over. So that I would urge the committee not to spend too much time, when we come to the Post-Discharge Re-establishment Order, on the smaller points, because some of these others are very large and important matters.

Mr. CRUICKSHANK: When will that subcommittee report be considered?

The CHAIRMAN: Well, we have decided we would take up the Post-Discharge Re-establishment Order next. We have made no binding suggestion in regard to the other items, or the steering committee have not.

Mr. CRUICKSHANK: On the other hand, you agreed at the first that it would be considered. When we agreed to the passing of the Act, you agreed that it would be considered.

The CHAIRMAN: Oh, yes.

Mr. CRUICKSHANK: Well, we are getting on in the session.

The CHAIRMAN: Even if we meet only twice a week, we have six more meetings scheduled.

Mr. CRUICKSHANK: Well, when will it be considered?

The CHAIRMAN: I suggest again that the steering committee will be meeting right along, and they will make a definite recommendation in the matter.

Mr. CRUICKSHANK: Well, I am not satisfied. I was speaking to the chairman of the subcommittee, and the agreement was that it would be considered or we would not have agreed to the Act going through as we did. I am seriously objecting to hearing any delegation until that is dealt with.

The CHAIRMAN: We have brought gentlemen from Winnipeg, Vancouver—

Mr. CRUICKSHANK: Who brought them?

The CHAIRMAN: We have advised them; I should not say we brought them. We advised them we would hear them this morning, on the decision of the steering committee as ratified by this committee, so I think we should proceed to hear them. Then we will thresh out our little arguments after we have heard them.

Mr. CRUICKSHANK: Little arguments, my foot. Misconduct on discharge is the most important thing we had in that bill. I want to know this: are you ruling that it is not going to be dealt with at this session or are you guaranteeing that it will be heard?

The CHAIRMAN: I am guaranteeing it will be heard. I am sure the steering committee will bear me out in that.

Mr. CRUICKSHANK: I am not particularly interested in the steering committee.

Mr. GREEN: We will back you up in this, Mr. Cruickshank.

Mr. CRUICKSHANK: It will come up?

Mr. GREEN: Yes.

Mr. BROOKS: We will not let you down.

Mr. LENNARD: With reference to the gentlemen that are being heard this morning, did they come here at their own expense from Vancouver, Winnipeg and points west?

The CHAIRMAN: That was the understanding.

Mr. LENNARD: I hope it is not a wild goose chase.

The CHAIRMAN: Gentlemen, we have with us Mr. E. N. Rhodes of Ottawa, Mr. G. Barrett-Hamilton of Winnipeg, Mr. J. P. Roberts of Vancouver, Mr. E. J. Oliver of Ottawa, Mr. Kennett Lyle of Calgary and Col. E. J. Cleary of Regina. Have you gentlemen appointed somebody to present your brief?

Mr. E. N. RHODES: Yes.

Mr. E. N. RHODES, Canadian Association of Real Estate Boards, called.

By the Chairman:

Q. Would you indicate the organization you are speaking for; and if any of these other gentlemen are going to speak, would you indicate that to the committee?—A. Shall I stand?

Q. Just whichever you prefer.—A. Thank you. Mr. Chairman and gentlemen, I am acting this morning on behalf of the Canadian Association of Real Estate Boards, which is an association comprised of 26 real estate boards across Canada, and also of real estate agents who are associate members of this board. Unfortunately our president, Mr. C. E. Purnell of Hamilton who prepared this brief and signed it, and our executive secretary in Toronto, were unable to be present and the task has fallen on my shoulders. Mr. Purnell had 30 assessment appeals to be heard in Hamilton to-day and yesterday. For that reason he was not able to be here.

Q. Would you just excuse me for a moment, Mr. Rhodes?—A. Yes.

The CHAIRMAN: Gentlemen, the brief is found as Appendix A on page 639 of the record.

By the Chairman:

Q. We filed your brief?—A. Yes. The brief has been filed and published. We received notice on Monday night that we would be heard on Friday, and we immediately sent out wires to our various member boards asking them to send representatives. We have the following representatives here: Mr. John Roberts of Vancouver who is acting on behalf of the Vancouver, Victoria, New Westminster and North Vancouver Real Estate Boards and also for the real estate agents in the province of British Columbia. We have Colonel E. J. Cleary, acting on behalf of the Regina Real Estate Boards and real estate brokers in the province of Saskatchewan. We have Mr. Kennett Lyle, secretary of the Calgary Real Estate Board, who is acting on behalf of that board and also the Edmonton board, and brokers in the province of Alberta. We have Mr. G. Barrett-Hamilton, president of the Winnipeg Real Estate Board, who is acting on behalf of that board and real estate agents in the province of Manitoba. We have Mr. E. J. Oliver of Ottawa who is vice-president of the Ontario Association of Real Estate Boards who is acting on behalf of that association and members of the real estate brokers in the province of Ontario.

Our brief has already been presented and published. I do not know whether it is the practice or the wish that the brief be read again or would you accept it?

The CHAIRMAN: The usual thing is to read it over. It is published just for the convenience of members. I would say the thing is to read it.

Mr. GREEN: We cannot hear, Mr. Rhodes. Would you speak a little louder, please?

The WITNESS: I am very sorry, Mr. Green; I will try to do that. We are complete amateurs in this matter. We are all voluntary, non-paid workers of the association; and I may say that I myself have never been as nervous before except on two occasions, and those occasions are now at school this morning.

Mr. BROOKS: You are among amateurs.

The WITNESS: Various members of our delegation wish to speak on their particular problems as far as their provinces are concerned. We hope that they will be asked questions, if there are any questions that come up that members of the committee wish to ask; and then at the end we will try to answer any questions that are brought up by members. I shall proceed to read the brief, then.

(Witness read brief as appearing at p. 639 of proceedings.)

By the Chairman:

Q. Do you yourself wish to add anything to that submission?—A. Mr. Chairman, there are several points that we should like to bring out in addition to the brief. I was wondering if it would be agreeable if we call the various representatives first, then that we perhaps would be cross-examined and we might sum up with those additional points that we should like to make. I should like to call on Mr. John Roberts of Vancouver.

Mr. JOHN P. ROBERTS, Vancouver, *called*.

Mr. ROBERTS: Mr. Chairman and gentlemen, I have only recently, very recently, been discharged from the navy but I have been back in the real estate business long enough to form a very definite conclusion that the veterans are not benefiting to the full from what I consider, in all other respects except section 33, to be an excellent Act from the veterans' point of view. That is my opinion of the situation in my part of the world, in British Columbia. Under present conditions the veteran who wishes to finance under the Veterans' Land Act applies to the office of the regional supervisor and receives a certificate of qualification; he is then advised that he must go and find a suitable farm or small holding without applying to a real estate dealer, and must secure it by independent means.

Mr. GREEN: A little louder, please.

Mr. ROBERTS: I will try. In a few cases he receives the listings of the farms or small holdings the regional supervisor may have, but in the great majority of cases he is told he must find them on his own hook. To qualify for a small holding, the veteran must have steady employment; and there are cases in Vancouver, numbers of them, in which veterans have taken months, literally months, to find a suitable place for themselves, because they have not been able to go to the real estate agent's office. I have here the sworn declaration of one veteran which recites his history in the search for a suitable location. I should like to read it and file it with you, Mr. Chairman. It reads as follows:

Dominion of Canada
Province of British Columbia
To wit:

} In the Matter of
The Veterans' Land Act

I, Ambrose Patrick Walsh, of the City of Vancouver in the province of British Columbia

Do solemnly declare that I am a veteran of both wars and as such am entitled to financial assistance under the Veterans' Land Act in the purchase of a small holding.

I was discharged in the middle of December, 1944, at which time my family occupied a rented house in the Kitsilano District of Vancouver. Before I was out of uniform I was given six months' notice to vacate and accordingly made every endeavour to find another suitable place for myself and family. Owing to the serious housing shortage and in spite of every effort, I was unable to locate anything whatsoever and finally decided that my only recourse would be to purchase a small holding close to the city under the Veterans' Land Act.

At the time of receiving my certificate of qualification, I asked the regional supervisor how I was to go about finding a property to purchase. He told me that under the Act I was not allowed to deal through an agent and that I would have to go out on my own and locate an owner who had the type of property I wanted and who would be willing to sell.

Forseeing considerable difficulty in locating a property on my own, I asked the supervisor if they had any properties to which I could be directed. His reply was that at the present time they had nothing available to suit my particular requirements. After this interview, I travelled around the area in which I wanted to find a holding, viz. Burnaby or Lulu Island and spent days and days following up leads from friends who had heard of properties for sale, interviewing these owners, and in every instance I found that the prices were far too high or the properties were undesirable.

Not only did I spend days and subsequently weeks in trying to follow up these leads, which cost me a considerable amount in transportation expense, but I also neglected my employment. At this point I put in an advertisement in the Vancouver *Daily Province*, reading as follows:—

Acreage with house and good buildings; low taxes; near transportation; Burnaby, Lulu Island; reasonable price. Veterans' Land Act. Principals only. Box 946 Province.

This ad ran for a period of six days and I only received one reply which was unsuitable. I then inserted another advertisement in the Vancouver *Sun* in the weekend edition of the paper and from this received no reply.

As the worry attendant upon threatened court proceedings in the matter of notice to vacate our home was beginning to affect my wife's health and as we had been searching for three months for property, I finally wrote to the regional supervisor and gave him an account of my three months' fruitless search. I advised him that the court had ordered me to vacate my premises on the 30th November and it was essential for me to find a place to live and again asked him if he knew of any properties which might be available for me to move into. I received a reply from him, dated October 24th, 1945, which I attach hereto.

This is a letter from the regional supervisor addressed to Mr. A. P. Walsh and reads as follows:—

In reply to your letter of the 21st instant we regret that we do not know of any properties which might be available at the present time for you to move into.

It would be quite in order for you to select a piece of land with the idea of erecting your own home thereon when material and labour are available, but this as we see it would not relieve your present predicament. The date of your having to vacate your present premises would not give you time to erect a home in any event.

Our only suggestion is that you continue to search for a suitable property with a dwelling already erected thereon and if approved by the department can be purchased on your behalf.

The CHAIRMAN: Is that the original letter?

Mr. ROBERTS: Yes, I have the original.

After receipt of this letter, which gave me absolutely no hope or clue of finding anything, I felt quite helpless. The only suggestion the supervisor could make to me was that I continue to search for a suitable property with a dwelling already erected thereon. This I had been endeavouring to do for three months without success, and as stated above, was faced with eviction in the matter of a few weeks. Finally, in desperation, my wife and I approached a local reputable real estate firm and explained our case to one of their salesmen. He pointed out that under the provisions of the Act he was unable to accept commission in dealing with a veteran proposing to purchase under the Veterans' Land Act. He stated he had a property on his books that he thought would be suitable for our requirements and without obligation drove us out to see it. After inspecting the property we decided that it fulfilled our requirements and we decided we would like to purchase it. The agent advised us that we should carry on all further negotiations with the owner and that he would be forced to step out of the picture and forego his legitimate commission for service rendered.

My reason for putting this in writing is to bring to light the deplorable handicap under which I, myself, and many other veterans are placed in endeavouring to find badly needed accommodation under the Veterans' Land Act. We are forced to contact owners direct and to purchase from a department of the government, which gives us negligible assistance in finding the properties we require. We are thus virtually shut off from finding the greater percentage of good housing that is suitably priced, which reputable agents have through years of work and effort been able to accumulate.

I should like, however, to make clear that despite the difficulties I had in connection with finding a suitable small holding, I have at all times received the utmost courtesy from the officials connected with veterans' affairs.

And I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath, and by virtue of the "Canada Evidence Act".

Now, I think that story speaks for itself and I would say from my experience with veterans that it is typical. I had occasion to address the Veterans Affairs Committee of our Junior Board of Trade in Vancouver because a number of them were not completely familiar with the Act, and at the conclusion of my address they were unanimous in agreeing that the veteran would be greatly assisted if section 33 were deleted from the Act, and they informed me they would pass a resolution to that effect and forward it. Whether that has been done or not I do not know. I recently made a survey of twenty real estate offices in Vancouver and found that they had received 550 inquiries for advice and assistance from veterans who wished to avail themselves under the Veterans' Land Act. This would indicate that they are not having their requirements completely fulfilled through the Veterans' Land Act office. It also means that 550 veterans have been unable to avail themselves of the services of local real estate dealers. Section 33 of this Act deprives a legitimate business from doing business and giving service to a certain section of the population—that is the veterans—and by introducing it I feel the government has put a hardship in the way of the returned man who should have every assistance that each member of the community can give. The real estate men receive legitimate fees for their services which are recognized and demanded by the public as necessary services, and under present conditions, particularly where there is a seller's market—I think everywhere in Canada there is a seller's market in real

estate—the real estate men have the great majority of the listings. They have the best ones and the result is that the general public are benefiting at the expense of the veterans, because we are selling properties all the time to civilians. There is one point mentioned by Mr. Rhodes which I want to emphasize. If section 33 were deleted the veteran would still have the protection of the inspection of the government official before the deal is completed. I think, Mr. Chairman, that is my point.

The CHAIRMAN: Have you any idea of the number of transactions carried out by the members of your board in Vancouver in what might be considered small holdings during the past two years? I refer to the type of thing that the veteran might obtain assistance on under the Veterans' Land Act? Have you any figures in that regard?

Mr. ROBERTS: I cannot give you the figures. I do not know how many they exchanged, but I know it is continuous. In my own office we deal pretty extensively with that type of property, and farms.

There is one thought that occurs to me. When I was in the navy we received on board our ship a little blue booklet outlining the terms of the Veterans' Land Act and the benefits which the veteran would receive. I am a real estate dealer and it is true that I had an interest in it, but my first thought was that here was a chance for us to be of real service to the veterans, and I wrote to my brother immediately—he is my partner—and sent him a copy of the booklet, and I suggested that he line up all suitable properties and small holdings so that we would be able to give complete service to veterans. He wrote back and told me to read the Act. He said he was very sorry but we would not be able to be of any service at all. The fact remains that we are still selling these same places to civilians. There have been twenty-five veterans of the last war in my own office alone who are precluded from dealing with fellow veterans. In the twenty offices in Vancouver there are over eighty veterans.

The CHAIRMAN: Mr. Rhodes, is it your wish that the members should ask questions of each person as he makes his submission?

Mr. RHODES: Whatever happens to be the convenience of the committee.

The CHAIRMAN: It would be better to ask questions now.

Mr. PROBE: What was the position of real estate firms in respect to soldier settlement following the last war?

Mr. ROBERTS: Section 62 of the Soldier Settlement Board Act is possibly word for word the same as section 33. Section 62 was passed in 1919, so that the situation in regard to the Soldier Settlement Board was virtually the same as it is to-day—from 1919 onwards.

Mr. CRUICKSHANK: Mr. Chairman, I think Mr. Roberts deserves more credit than these local men because he has come from a greater distance, and he has come from the finest part of Canada.

Mr. PROBE: You always have a plug for B.C.

Mr. CRUICKSHANK: I have not mentioned the Fraser valley yet.

Mr. ROSS: That will come.

Mr. CRUICKSHANK: I am interested in this matter, and I am not questioning the good faith of these men. Mr. Roberts said that he wrote home to his firm suggesting the listing of properties—I presume you mean farm properties?

Mr. ROBERTS: Listings.

Mr. CRUICKSHANK: I presume, being a real estate man, the idea was to list those farms on an exclusive basis?

Mr. ROBERTS: Not necessarily.

Mr. CRUICKSHANK: Preferably?

Mr. ROBERTS: Yes, if the price is in line. You see, there is not very much object in a real estate man having an exclusive list until he has appraised the property, and there is not much there if he considers the price too high.

Mr. CRUICKSHANK: I presume, not being a real estate man myself, but a land owner, that the real estate man would appraise the property before he lists it?

Mr. ROBERTS: Certainly.

Mr. CRUICKSHANK: Would there not be the possibility of it having the opposite effect—of course you were speaking as a member of the navy and working for fellow veterans and sailors—that the property would all be seized up and the veterans could not get it at a low value? I have some land I want to sell myself, but I am not allowed to sell it because I am a member of parliament. This board has not got enough money to pay for property in the Fraser valley, I can tell you that. But speaking in all good faith, would it not have been the fact that before we have a chance to revise this Act to put this Act into effect available property would all come into the hands of a few in the real estate business?

Mr. ROBERTS: I will explain that. I cannot see that the listing of properties would tie them up. An exclusive listing is usually given for thirty days, and it does not mean that that property is tied up to any particular real estate man. In addition to that, there is keen competition in the business; no one man or no one firm could possibly secure all the available farms. Mr. Rhodes, in the brief, covered that matter rather well when he gave an example of the situation around Ottawa.

Mr. QUELCH: Do you suggest land holders or the holders of suitable places would list them with real estate agents rather than with the officer of the land board?

Mr. ROBERTS: I do not know, sir.

Mr. QUELCH: Would you say it is because of lack of information—lack of knowledge—that the board are asking for listings?

Mr. ROBERTS: It is possible, but I think it is partially due to the fact that the majority of land owners are used to dealing with real estate men. They go to them for advice and so on. I think they have got into that habit.

Mr. CRUICKSHANK: Would you say in that connection there would be more small holdings coming from a farming district? I have some recollection of after the last war, and I think the farmers in the Fraser valley offered their farms and tried to coax the board—

Mr. GREEN: Oh, no.

Mr. CRUICKSHANK: As a matter of fact they used their influence to get the boards to take them; is that true? I will not ask the director; he was not on the board at the time. That is the fact. They tried to get the board to take their farm lands. I saw the report. I do not question the merit of your brief, but I honestly cannot see it as far as farm land is concerned in British Columbia. It is my opinion that every farmer in British Columbia who wants to sell his farm will contact the board or anybody else who is in the market; and surely everybody in Canada knows now that the government are in the market looking for land for soldiers.

Mr. ROBERTS: It is possible, but they are not being settled very fast.

Mr. CRUICKSHANK: I grant you that.

Mr. ROBERTS: And remember this, that a search for a farm involves more time and expense than a search for a small holding. You are talking about leasings and appraisings. In this sworn declaration which I read the reputable real estate firm is H. A. Roberts & Company, and in that particular case it was

an exclusive leasing. The owner of this holding rang up and said he wanted to sell the property. Our salesman went out and asked the price which the owner wanted, and he said \$3,720, and our salesman advised him that the price was too high—it was not in line with market conditions at that time—and he priced it at \$3,100. Finally the owner of that property agreed to sell it for \$3,250. Now, if the veteran had contacted the owner directly in the first place he would have been quoted the price of \$3,720. Of course, the veteran would have had the protection of the government expert later on, but it is quite possible that the veteran there would have paid more than the market value for the place. That is an example of how an exclusive leasing is given to a real estate agent.

Mr. WRIGHT: What percentage of the holding that your firm handles would be suitable as far as the Veterans' Land Act is concerned, as regard the price; is there any very large number of them?

Mr. ROBERTS: There is a large number of them, we think.

Mr. WRIGHT: What percentage?

Mr. ROBERTS: The percentage of the total leasings?

Mr. WRIGHT: What percentage of small holdings would come within the price range that the board is prepared to pay for farm lands—\$6,000?

Mr. ROBERTS: Oh, conservatively, 80 per cent of small holdings.

The CHAIRMAN: Do you have many exclusive listings of farm lands?

Mr. ROBERTS: Not a great many, no; the majority of our leasings are what we call open leasings. Perhaps one reason why real estate men have a better selection is that every real estate man is earning his bread and butter that way, it is his job. He is out all the time looking for leasings. In the seller's market, that is the big problem the real estate man has.

Mr. CRUICKSHANK: In the seller's market, have you many farms in the Fraser river valley that could be classed as going concerns listed in the market, either exclusive or otherwise?

Mr. ROBERTS: Have we many farms?

Mr. CRUICKSHANK: Yes, listed within this limit, either exclusive or otherwise.

Mr. ROBERTS: Well, I can only answer that question rather vaguely, because I have only been back in business about two weeks, and I am not fully aware of how many farms we have in the Fraser valley. I think we have constantly about three or four exclusive listings.

Mr. CRUICKSHANK: Is it not true that in the Fraser valley the real estate firms from Vancouver have gone there and made their purchases outright or taken an option on large tracts of land?

Mr. ROBERTS: I do not know, I hope not, because if a man is buying large tracts of land in that way he is a land speculator and not a real estate agent.

Mr. CRUICKSHANK: You have no information that that was done?

Mr. ROBERTS: No, I have not.

The CHAIRMAN: Are there any other questions to ask of this witness? Thank you, Mr. Roberts.

Mr. RHODES: I would like to call Mr. Kennett Lyle of the Calgary Real Estate Board, to speak for the brokers of Alberta.

Mr. KENNETT LYLE, Calgary Real Estate Board, *called:*

Mr. LYLE: Mr. Chairman and gentlemen, before anybody opens up on me with both barrels I would like to say that I have come the second longest distance, something like 2,000 miles, on very short notice, and it was only a little over an hour ago that I got off the train and the wheels are still going around in my head. One point that has not been emphasized enough, or in

sufficient detail, is that any deal that is put through a real estate office must also pass the inspection of the soldier settlement grant. You cannot possibly say that a real estate dealer is charging too much for land or is getting an unearned commission or an excessive commission if your own inspector passes the deal and will buy the land only at that figure. It is not the veteran in this case or in any case who pays the commission, it is the vendor who always pays the commission. In my experience during some sixteen years in the real estate business I do not think a purchaser has ever paid a commission. The director does not pay the commission; it is the vendor. Secondly, we must be inspected as to price and suitability. I cannot see what difference it makes whether you are dealing through a broker or not. These are the two points I have jotted down, I am not going to take up much of your time, because I think most of the points have been well covered. But I did pay a visit to the local Soldier Settlement Board and asked a few questions, which I think might be of interest to you, as to the actual workings of this affair at the present moment.

Mr. PROBE: Are you referring to the Veterans' Land Act?

Mr. LYLE: Yes.

The CHAIRMAN: Where was that?

Mr. LYLE: In Calgary. I say the Soldier Settlement Board, because they are listed in the telephone directory as such, and I asked these questions: how many branch offices are there in Alberta where the soldiers may make application for a purchase? The reply was seven. I believe, Mr. Murchison, that includes the head office at Edmonton.

Now, that is for 250,000 square miles. The second question I asked was: are you keeping ahead of the demand? Perhaps that is not well worded. I mean, have they enough farms that if an applicant comes in and says, "what can I get in a certain district, are you keeping ahead?" The answer was, no, they had practically none to offer. My third question was—perhaps I should explain there that there have been in every branch office certain lands bought, but as far as Calgary is concerned evidently they have all been taken up—my third question was: if an applicant should make a request for a certain piece of land and you found that land listed exclusively with a real estate broker what would you suggest? Now, you have been discussing that very point. The answer was that they would leave it to the applicant. Now, I may say that my firm in Calgary does not handle farm lands, and if we ever get a commission—assuming that you may look favourably on our remarks and change the Act as far as possible—if any real estate firm in Canada gets a commission I think we would be the last to get it. I am not here hoping to reimburse my own pockets. That is rather hard to believe, but, gentlemen, it is true. The question was: what would you suggest if you found a parcel of land listed exclusively with a real estate firm, and the answer was: leave it to the applicant. I have experienced two cases like that. One was through a local broker in Calgary who had an exclusive listing and who deals almost exclusively in farm lands—in farms not far from the city, and therefore are very suitable for the veteran. When they got to the veteran in question—I am not sure whether they took the veteran there to inspect the farm, but they gave him full information about it, and I know the man was a veteran—the veteran took this matter to the Soldier Settlement Board, the veterans' land administrator or whatever the local term is, and I am sorry to say that someone in that office told him to get the legal description of the land and if he wanted it they would buy it anyway. Well, gentlemen, whether a listing is exclusive or not exclusive I hope and I trust there is no one in this room who would do that; I do not think even a clerk in the local board, if he realized the true facts, would not do that either, unless he would, at the same time, perhaps, hold up a bank. Maybe my opinion is twisted on the subject, but one thing is just as dishonest as the other.

Now, we had a house listed inside the city which I did not think would interest the veterans' land department at all, but evidently you do make some purchases of less than an acre. This place was advertised in the *Calgary Herald* as an exclusive listing at, I think, \$4,500. The veteran cut the ad. out of the paper and took it to the Soldier Settlement Board office and they told him to come to our office and see us about it, and when he came in he repeated that they had sent him over. I said, "Has the Act been changed?" He did not know what I was talking about. I asked whom he had been speaking to at the office and he told me the name, so I phoned the man and asked him if the Act had been changed and he said, no. I said, "You know this is an exclusive listing with us; what do you expect us to do about it?" He hoped we would give the man full information about it. Actually I did, but I do not think it is fair to expect that. I could have asked the clerk to whom I was speaking: are you working for nothing; but I did not.

My next question was: if an applicant makes a request for a certain district and you haven't anything in that district, what do you say? The answer was: every veteran is expected to select his own farm. And that, gentlemen, is where I think we could be of great assistance to the department. I really cannot see why there is a controversy as to whether we should be allowed to assist because we do not overlap, and we are complementary to the department, if they will accept us. There is no overlapping at all.

My next question was: is there any means whereby the Soldier Settlement Board can transport an applicant to any outlying farm for his inspection? The answer, of course, was no; the applicant is supposed to inspect the farm himself. Well, gentlemen, very often the applicant is working and cannot get away, and if he can get away, unless he is buying in the particular district where he lives, he is unable to make that inspection in very many cases.

There is nothing further I have to say, unless you have any questions to ask me.

The CHAIRMAN: How many real real estate agents or real estate brokers have you knowledge of in the province of Alberta?

Mr. LYLE: I should be able to answer that, sir, but I am sorry that I cannot. Probably in Calgary and Edmonton alone—this is merely a guess—I would say there are 150. That does not take in Lethbridge and Medicine Hat or Red Deer or hundreds of towns in the province.

There is one other point I wish to bring up. Don't forget that since 1919 the profession of real estate broker has greatly altered. In my province today if any of you gentlemen wanted to sell real estate, and this is so in nearly all provinces, you must take out a licence. That is true in at least four provinces, and I am glad to say that Alberta is one—you must receive a bond. Now, that was not heard of in 1919. I believe that is right. This bond is an insurance bond in Alberta and it is for \$1,000 made payable to the province of Alberta, and if you cannot get a bond you cannot do business as a broker—a licensed agent.

The CHAIRMAN: What is the bond designed to guarantee?

Mr. LYLE: As a matter of fact, the Calgary and Edmonton boards were instrumental in getting the province to pass that legislation. While it may not actually be very much protection, the purpose was to screen out undesirable real estate brokers; and if an insurance company will not take them, surely the province should not.

The CHAIRMAN: What would forfeit the bond? What action on the part of the real estate agent or broker would cause forfeiture?

Mr. GREEN: If they did not pay a judgment against them; if they did not pay a claim.

Mr. RHODES: I think that is more to protect trust moneys than for any other purpose, outside of weeding out any undesirable applicants.

Mr. BELZILE: Mr. Chairman, being from the province of Quebec I should like the witness to amplify his remarks as to the organization of their profession. Are they under an Act of parliament like the legal profession and the medical profession and so on?

The CHAIRMAN: Do you have any knowledge of how your profession is organized in the various provinces of Canada? Have you an Act governing your profession in Alberta? You have, I believe.

Mr. LYLE: The Licensing Act. I think everything comes under that in Alberta.

The CHAIRMAN: Have you not got a law in Quebec?

Mr. LYLE: No. I do not think Quebec requires a licence.

Mr. GREEN: Perhaps Mr. Rhodes could answer that.

The CHAIRMAN: Yes.

Mr. RHODES: As far as the province of Quebec is concerned, there is no licensing law.

Mr. BELZILE: No. I do not want to know about Quebec because I know about it. I want to know about the other provinces.

Mr. RHODES: I could tell you about Ontario. We have the Ontario Real Estate Brokers' Act which lays out the operation of the coming of a real estate broker, and it is all subject to the Ontario Securities Commission. In Ontario now we have to pass an examination on application for a licence to become a broker, and we pay a fee to the province of \$15 a year for our licence. Then in addition to that we have to take a bond out with an indemnity company. The purpose of that bond largely is to protect a client who may make a deposit with an agent on behalf of a purchase; and should a broker abscond with that deposit, then the province is covered. There have only been three cases since the bonding requirement was brought in where there was any recourse to the bond.

Mr. BELZILE: If I understand it aright, after you get your licence, you join the association, some kind of association?

Mr. RHODES: Most brokers in the province of Ontario are what we call realtors. They belong to real estate boards. Since 1919—well it is 25 or 26 years ago—the professional status of the average real estate man has improved tremendously. I mean, we have associations; we have boards in 26 cities in Canada. You have one in Montreal. It is the only one in Quebec. It is called the Montreal Real Estate Board. We are trying continually to improve the ethical status of our profession. I myself think, if I may say this while I am on my feet, that there is a confusion between an agent and a speculator. I think Mr. Sinclair—

Mr. GREEN: You mean Mr. Cruickshank.

Mr. CRUICKSHANK: Do not blame me for being Sinclair.

Mr. PROBE: Just call him Fraser Valley. He likes that.

Mr. RHODES: Mr. Cruickshank mentioned this question of purchasing holdings of land in the Fraser Valley. As far as our association of boards is concerned, it is one of the things that we try to discourage. We are purely and simply agents. We would not go out and buy land or buy a house to turn it over and make a profit on it. As far as the province of Ontario is concerned, we would not be allowed to do that. There is another good reason why we would not do it to-day. Because it is our principal and only business, we would be charged income tax on any profit we made in the sale of property, so we certainly would not be looking for it to-day.

Mr. ROSS: That last statement is hardly correct, is it? I understand their profit would be capital gain.

The CHAIRMAN: No. That is their business.

Mr. RHODES: No, very definitely. For instance, if I were to go out to-morrow and buy an acre of land and pay \$100 for it and I sold it subsequently for \$300, the \$200 is income in my hands, because my only business is dealing with real estate and it is classed as profit.

The CHAIRMAN: That is right.

Mr. CRUICKSHANK: I am not an expert in that, but I should like to know about it for my own information. I do not think it operates in British Columbia in that way. Maybe Mr. Rhodes can correct me. My information is that is exactly what they have done in the Okanagan Valley, for instance. They go out and buy a large tract of land from Tom Jones and Dick Smith and so on, and they incorporate it in the name of some firm. They buy the land for \$20,000 and then incorporate a firm—Forms Limited, we will say, at \$100,000. That is my information.

Mr. RHODES: I would be quite prepared to suggest this then as an answer to that, that if you consider our case at all, that you re-amend section 33 and say that no agent shall be allowed anything other than the recognized commission of the province in which he is residing, and that he shall not deal with the department in the matter of any land that he owns directly or indirectly. I think that would get over that provision and I am quite sure every one of us would agree to that. Personally I am like Mr. Lyle, I never expect to sell a piece of farm land. We do not deal in farm lands. I think if you would do that, it would meet with the approval of every member of our association; just put it right in the Act that no member could receive any profit on lands that he was directly or indirectly interested in.

Mr. CRUICKSHANK: You see the point I was bringing up.

Mr. RHODES: Quite, and it is not done. I mean, we do not believe in that sort of thing. We appear as professional men. We are professional men who deal in property for a commission as our business and give advice. As far as I am concerned, I would not wish to have any part of buying a piece of land and subsequently selling it to the department at a profit; and if that could be reworded, it would meet with our whole-hearted approval.

Mr. QUELCH: As you are probably aware, many business concerns that deal with veterans sell their goods to them at a discounted price. Would you say that the real estate agents would generally be willing to take a discount on the amount of commission that they charge on the transactions with veterans?

Mr. RHODES: Mr. Quelch, it is a rather difficult question to answer, because at a discounted price, you are talking about a washing machine or a hay rake or something like that. There is a mark-up on there. In this case it would be like suggesting to the lawyer, for example, would he do the business of a veteran in this regard at less than the tariff rates.

Mr. CRUICKSHANK: What a hope!

Mr. BROOKS: They do all over the country.

Mr. GREEN: Yes, all over the country.

Mr. QUELCH: The lawyers say they do it.

Mr. RHODES: I think this, that there is not an equalization of commission in the various provinces. If the federal Act can deal in such a way that there should be an equalization of commission, I think we would be quite in agreement with that, to standardize it at roughly a fair compromise as between the highest and lowest rate of commission. If that could be done within the terms of the Act, I think that would be generally acceptable.

Mr. QUELCH: It would just mean that the person that was selling the land, or on whose behalf he was selling the land, would be prepared to take a certain amount less for his land, equivalent to the amount of the commission that you would rebate back. That is how it would actually work. Mr. Lyle suggested that the vendor always pays the commission and that it is not the purchaser. But on the other hand, if you had a certain piece of land listed with you which was to be sold, we will say, for \$4,000 and your commission was \$200, and you were willing to give a rebate of, we will say, \$50, then you suggest to the vendor, that he would accept \$3,950 instead and he would have \$50 less commission to pay to you. That is how it would actually work out.

Mr. LYLE: That is the actual working.

The CHAIRMAN: What is that? We could not hear you, Mr. Lyle.

Mr. LYLE: That would be the actual working if there was a reduction in commission. You are confusing commission with purchase price. The purchase price is what the vendor is paid. What he pays the agent usually is 5 per cent.

Mr. QUELCH: Yes.

Mr. LYLE: And any reputable broker never exceeds 5 per cent.

Mr. QUELCH: On the other hand, if the vendor reduces his price by the amount of the commission you are going to reduce your commission by, then the vendor is taking that much less for his land.

Mr. LYLE: Right.

Mr. RHODES: It would be a better idea to make it on the basis of a fee, I mean a straight commission, rather than any question of rebate of or portion of the price, because it would be difficult to arrive at a conclusion there.

Mr. QUELCH: I was just trying to point out what would actually be transpiring behind the scenes.

Mr. RHODES: Yes.

The CHAIRMAN: Did you wish to ask a further question, Mr. Belzile?

Mr. BELZILE: It is all right.

Mr. WRIGHT: I should like to ask the gentlemen if there is any standardization of fees charged, covering the province of Ontario, for real estate deals, or does every real estate agent set his own fee on his dealings?

Mr. RHODES: As far as the province of Ontario is concerned, you have boards in London, Windsor, Hamilton, Toronto, Kingston, Kitchener, Waterloo, Guelph, Ottawa; you have boards in those places and perhaps I have forgotten one or two others. The board sets the tariff rate which all members of the board must work to. For example, in Ottawa our tariff rate on the sale of vacant land and farm land would be 5 per cent. That is, generally speaking, the rate throughout the whole province of Ontario. What happens is that when the board sets a rate, the non-board members work either at that rate or slightly under it. That is what we usually find. I think the general rate in most places in Canada is 5 per cent. There is one province which is higher, and there may be a particular reason for that being higher.

The CHAIRMAN: Which province is that?

Mr. RHODES: The province of British Columbia.

The CHAIRMAN: What is their rate?

Mr. RHODES: 10 per cent.

The CHAIRMAN: It is harder to sell land in British Columbia, is it?

Mr. RHODES: Well, it is harder to find land to sell in the Fraser Valley. You have to pay for the listings.

The CHAIRMAN: Are there any other questions?

Mr. GREEN: It is 5 per cent on all properties around the city.

Mr. BELZILE: Does that 5 per cent cover everything such as inspection fees and so on?

Mr. RHODES: Yes, sir.

Mr. BELZILE: Your 5 per cent fee covers the inspection of a property and all that?

Mr. RHODES: Yes. It covers everything. The only other fees—I could give you a quick outline of our fees.

Mr. BELZILE: Of course I do not mean legal fees.

Mr. RHODES: No. That covers commission.

Mr. BELZILE: It covers commission and your expenses?

Mr. RHODES: Yes. On the sale of city property, a house, it is $3\frac{1}{2}$ per cent. We do get an appraisal fee of one-tenth of one per cent. If a man wanted us to appraise a farm, we would appraise it for one-tenth of one per cent or a minimum of \$15. But if the farm was sold it is not usually charged.

Mr. BELZILE: That is outside of your own fee??

Mr. RHODES: If we made an appraisal only for him; but if we sold the land for him, there would be no charge.

Mr. BELZILE: You say there would be no charge?

Mr. RHODES: No.

Mr. CRUICKSHANK: I think Mr. Roberts ought to clear that up, because British Columbia has been named.

Mr. ROBERTS: I am glad to speak for British Columbia. The rate authorized by the Vancouver Real Estate Exchange is 5 per cent on all city properties and 10 per cent on farm lands. The idea, I think, was that farm lands are a more costly thing to sell. The distances are greater.

Mr. CRUICKSHANK: May I ask who sets that scale?

Mr. ROBERTS: The Vancouver Real Estate Exchange.

Mr. CRUICKSHANK: Oh, well! I wanted to clear that up. That is not the Fraser Valley.

Mr. QUELCH: When a farmer lists his land with you, you do not necessarily make an appraisal of the land?

Mr. ROBERTS: Yes. We have to make an appraisal or inspection of the property. We have got to decide ourselves whether it is in line in the light of our experience, whether that price is too high or not.

Mr. QUELCH: Is that not the farmer's business, if he wants to set a certain price?

Mr. ROBERTS: Yes. He can set any price he likes, but we can advise him that it will not be readily disposed of.

Mr. QUELCH: That would be optional. If a farmer considered it was a fair price and that he did not need an appraisal, he would not necessarily have to have one.

Mr. ROBERTS: No. But as a rule we would go, when people contacted us, to where the property was; and we would know from his first price whether it was out of line or not. May I answer Mr. Cruickshank's question about the income tax situation?

The CHAIRMAN: Yes.

Mr. ROBERTS: That situation arose with me the other day. We own our own office building that we are in and I thought that the market price had gone up considerably and I inquired from our auditor who is an ex-official of the income tax department—

Mr. CRUICKSHANK: That is a good kind to have.

Mr. ROBERTS: —about that question. He said very definitely "Any profit you make on the re-sale of your own building is taxable as income."

Mr. CRUICKSHANK: I want to clear that up about the commission, because quite frankly I did not come in here with an exactly clear mind on this.

Mr. GREEN: Oh, oh.

Mr. CRUICKSHANK: Not in the way you mean. I was prejudiced against the real estate men. Mr. Green has been lobbying too often with these real estate men.

Mr. GREEN: How about you?

Mr. CRUICKSHANK: I admit frankly I was opposed to them and in this case I can speak for Sinclair. But in the Fraser Valley,—I am not going to give the name of the firms because it may be unethical among the Vancouver association,—they do not charge 10 per cent. I know because they sold some land for me. The way they do in Fraser Valley—whether it is according to the regulations in Vancouver or not I do not know—is charge a commission just like an auctioneer does in a country sale. For the sake of argument, if your farm is worth \$5,000, the commission is a certain amount and if it is \$10,000, it goes down. But in Chilliwack, I was in the office of a certain real estate man before I left and overheard a deal—I could not help it—and it was 5 per cent that he got on his sale of the farm. I want to make that perfectly clear.

I think we are about through with these gentlemen, because I want to make my own point clear after what Mr. Green has said. I am quite honest and frank about it. I am not in favour of the brief, although I can see a lot in favour of it. I say that in order to be perfectly clear to Mr. Roberts particularly who came a long way, with the best of intentions, to help expedite the sale of farms. I do not think he came entirely for the benefit of his own or any other firm. I presume that delegations are here, as we are supposed to be here, to try to get the soldiers settled on the farms as quickly as possible and in as large numbers as possible.

Some Hon. MEMBERS: Hear, hear.

Mr. CRUICKSHANK: After studying the brief, if I can see from it that we can get the soldiers settled more quickly and can get more of them settled on more farms, as far as I am concerned I should be glad to change my opinion. But I do want to make it perfectly clear, in so far as I am concerned, that there has never been any suggestion in this committee but what the real estate agents throughout the Dominion of Canada have as high a standing as any other profession, and a lot higher standing than many that we can name.

Mr. BROOKS: Mr. Chairman, I should like to ask Mr. Rhodes one question and it is this: Are there many returned men going to real estate agents asking for the purchase of small lots and of farms that, in his opinion, might otherwise have gone to this Veterans' Land Act administration if the land had been free and could have been purchased from the Veterans' Land Act administration or through them?

Mr. RHODES: Yes. I think in general that is so. We carry on constant advertising in the papers for either houses or farms or industrial property, whichever our offices may be interested in; and we are gradually building up the idea that you will go to the real estate agent if you are looking for a piece of property just as you would look in the classified section of the telephone book if you are looking for some particular firm; and they are coming to the real estate offices and asking for small holdings as well as for farms.

Mr. BROOKS: I asked you if there were quite numbers of them. I can understand there would be some.

Mr. RHODES: I am afraid I could not speak with any degree of accuracy on the numbers. We have approximately 1,000 members of our association across Canada. I could not say as to how many. I mean, even if there were only 5 a month, that would be 5,000 inquiries. That is a mere guess. It may not be one a month. It is pretty difficult to say.

Mr. BROOKS: The whole point, of course, is this. If the real estate agents have land which is needed by the veterans, and it cannot be purchased on account of this section, something should be done in order to get that land in the hands of the veterans to settle them. I think that is the whole point.

Mr. RHODES: I quite agree.

Mr. BROOKS: It is not that we are interested in the real estate agents at all. We as a committee should be interested in the returned men.

Some Hon. MEMBERS: Hear, hear.

Mr. BROOKS: And if there is a lot of this land which should be available, and can only be obtained through the real estate agents, then it is a matter which does concern us very much. So my point was this: are there many who are seeking land from the real estate agents because they cannot get it through the Veterans' Land Act administration?

Mr. RHODES: I think there are, yes. I think there are.

There are one or two points that I should like to bring up in this same connection if I might. One of them is this. As far as the provinces are concerned where you are licensed, you are bound to work to the commission that your board sets or what is the recognized rate. In other words, suppose I had somebody come into my office and say, "I have a property for sale and I want \$1,000; anything you get over that you can keep." According to the law of the province of Ontario—and I think it applies to any other place that has a licensing law—we are only entitled to charge that amount, the commission on the amount received. Suppose we sold the property for \$1,300, for instance. Our commission, if that was a vacant piece of land, would be \$65. We send a cheque for the difference between \$1,300 and \$65. If we did otherwise, we would be subject to prosecution by the Ontario Securities Commission, and our licence would be revoked. That is a very important point.

The second thing I should like to say is this. In Toronto on Monday Mr. Banks of the Canadian Vocational Training Branch—I am perhaps not giving it the correct name, but it is a part of the Veterans Affairs Department—spoke to us in connection with a plan that they have whereby real estate offices across Canada would take on veterans under the vocational training plan; and already a number of offices in Canada have taken on men under this scheme. It just occurred to me that it seems rather ridiculous, in a way, that we are being asked to take on these men—and are willing to do so—and train them and make them into real estate men, and yet that these very men who are being brought into our offices, under section 33 of the Land Act would not be permitted to deal with their own fellow veterans in the matter of the purchase of a piece of land. I thought that was a rather unusual combination of circumstances, that we should be asked to take these men in, but be precluded; at the present time they would be precluded from dealing with their own veterans.

The CHAIRMAN: Who else did you wish to call on, Mr. Rhodes?

Mr. RHODES: I want to call Colonel Cleary of Regina.

Colonel E. J. Cleary, Regina, called

Colonel CLEARY: Gentlemen, I just want to apologize. I arrived here about three-quarters of an hour before the meeting, and the contents of the brief that was submitted by my friend were not known to me until I heard it read here; so if I repeat anything I hope you will excuse me.

I myself am a veteran of two wars—not this war, but of two wars before this war. I have had a lot to do with veterans during the past 25 years. In

this war I commanded what was called the Regina subdivision of the Saskatchewan Veterans' Civil Security Corps, which was an auxiliary of the Mounted Police. We had 7,000 returned men of the last war in this corps, and naturally I have had quite a lot to do with returned men. I am not going to keep you very long because I see the hour is getting late and I notice some people fidgeting in their seats, but I am going to tell you of my own experience in my own office with returned men. I have had these boys coming in, probably anything from 5 to 12 in the week. They will come in answer to an advertisement I have in the local paper, the *Leader-Post*—they will come in. The first question I ask is, "are you a returned man?" They will say, "yes". I will say, "I am sorry, but according to the law I am not allowed to give you any information or to help you. My whole desire as a veteran myself is to help you, but I am not allowed to do so." That is the position I am put in.

I was advertising a farm a short time ago at a place called Cupar, and I had a long distance telephone call from a man who did not say he was a returned man and I gave him the price. The next day he called over long distance and said he wanted to buy the farm and he would come in to see me. He came in—a nice chap with his wife, a returned man—and then he left me—I did not say anything; I knew what was going on—he said he would go over to the veterans' board and he would come back again. He did not come back again, Two days afterwards I had a letter from the owner of the farm saying that this man had written him that according to the Act he was not allowed to pay me a commission and the owner asked what was he to do? I said, "He is a returned man and I will not stand in his way, let him have it if he wants it." He applied to the board to get the farm, and the board would not buy the farm, and it was sold a week afterwards to a farmer living two sections away for the same price. He had asked for it but the board would not buy it; did not think it was good enough. That is the board's privilege. We find these fellows coming in and we tell them we cannot give the information. They go out and the next thing in comes the old man asking about the very same farm. The next thing we know this fellow we turned down the day before has got in touch with him about this very farm, and it puts us in a very awkward position. We advertise a farm and here is a man who wants to buy it. Saskatchewan is a farming province, and you all know the majority of real estate men in Saskatchewan are returned men themselves. There is not a country town that has not a real estate man and you will find that 80 per cent of those real estate men in Saskatchewan are returned men from the last war or other wars. Quite naturally their desire and wish is to help the returned men. We know what these boys are up against, we have gone through that ourselves. I have gone through two wars. I am only too anxious to help them, but I am not allowed to do it.

Now, you had a meeting here on Thursday, November 15, and I am going to refer particularly to one of Mr. Murchison's answers. He said here in answer to a question asked by Mr. Croll—

The CHAIRMAN: At what page?

Colonel CLEARY: Page 708. He says: "We have representatives out appraising in the highways and byways of the country. We must place full reliance on the honesty of these people who are out examining property for us. They are paid to do a certain job. And without in any way suggesting that the staff employed under the Veterans' Land Act or under the Soldier Settlement Act are dishonest or were dishonest, I suggest to you that there is a constant field of temptation there if they are going to be working practically every day more or less in close conjunction with real estate men representing the veterans on the properties concerned."

Now, gentlemen, as a veteran myself, I more or less object to that. In the last war we all know that the buying of farms for the soldiers was a failure—everybody knows that. Mr. Murchison will admit that. In Sas-

katchewan we have farms that soldiers had been on and had lost years ago because they could not make a living on them. I know it is the function and desire of this committee to prevent that happening this time. In almost every little village in Saskatchewan there is a real estate man, and nobody knows the land better than he does. He knows every farm in his district because he has lived in that district for years. He knows what that land produces, and nobody can give a better expression of opinion as to the value of that land than he. You have experts, no doubts, and they will tell you whether the land has a certain value and so forth. That is all right, but you want the man with the practical experience of the actual land. Mr. Murchison knows that you can find two quarter-sections of land around Regina and one will be perfectly good heavy clay while the next quarter-section a short distance away will be poor. The man at that place who knows the land in that district is the man who can give the government advice. I think you will find that as far as Saskatchewan is concerned the majority of real estate men will give the government a fair deal—they will be able to buy better than the government. The tendency seems to be if the government goes to buy land the price goes up—at least land will not go down in price. In many cases the real estate man may have a farm listed for \$10,000. A purchaser comes along and the agent can talk with the farmer and say, "Now, \$8,000 is a good price and you had better take it"; and he generally takes it. I contend that the real estate man would be of great assistance to this board.

The CHAIRMAN: How many real estate agents do you estimate there are in the province of Saskatchewan?

COLONEL CLEARY: It is hard to answer that. In every village or town of 200 or over there is a real estate agent to handle insurance and real estate. They are not all members of the board, but they are real estate men.

The CHAIRMAN: Have you a real estate board in Saskatchewan?

Colonel CLEARY: Yes.

The CHAIRMAN: How many members?

Colonel CLEARY: Since the Real Estate Board of Canada started they are working to get all the provinces to come in. We in Regina are members of the Real Estate Board of Canada. Before we were just a unit ourselves, but we are working to get the real estate boards in Saskatoon and these other places all under one head, and we hope that, as in Ontario, we will have them bonded and licensed. That is the idea of the board in Regina at the present time. Whether we will be successful or not I do not know.

The CHAIRMAN: You have not got an Act governing?

Colonel CLEARY: No, not so far.

Mr. RHODES: Mr. Chairman, I will now call on Mr. Barrett-Hamilton.

Mr. G. BARRETT-HAMILTON, Winnipeg, called.

Mr. BARRETT-HAMILTON: Mr. Chairman and gentlemen, I know the hour is late and I shall be brief, but I want to thank you on behalf of our members in Manitoba for this opportunity to come before you. I represent our men in Manitoba and particularly the members of the real estate board. I want to say that this board has been in existence for forty years. Our members represent the majority of the outstanding men in the business in Winnipeg. We have a strong code of ethics and we are licensed and bonded. We give a personal bond—

The CHAIRMAN: To whom?

Mr. BARRETT-HAMILTON: To the government. We feel that we are qualified to give service and assistance to the veterans, and most of our members are either veterans themselves or have sons or relatives who are veterans. These men come to our offices because their families have dealt with us for

years or because they have been associated with our sons who are veterans, and we feel it is wrong that we should not be able to deal with them and help them. We are definitely of the opinion that the veteran is losing out by being unable to deal through legitimate channels.

Mr. ROSS: Do you mind my asking a question now?

Mr. BARRETT-HAMILTON: No.

Mr. ROSS: I would like to ask you what you mean by saying the veteran is losing out?

Mr. BARRETT-HAMILTON: I mean that there is quite a strong demand for small holdings around Winnipeg and the civilians are buying the small holdings through the legitimate brokers.

Mr. ROSS: You are speaking principally of small holdings; and what you say does not apply to farm lands in Manitoba?

Mr. BARRETT-HAMILTON: No. I have been in the real estate business for seventeen years, and it is my considered opinion, gentlemen, that it is the vendor who pays the commission, and particularly on a strong market such as exists to-day the vendor either pays the commission or pockets the commission. It is the vendor gets the benefit if the commission is saved to the purchaser.

Mr. QUELCH: That would not necessarily be true if you agreed to rebate 50 per cent of that commission? Then the veteran would benefit to the extent of 50 per cent just as in the case of the legal profession. It might be done mutually between you and the vendor behind the scenes, or it might be a straight deal between the vendor and the board or upon receipt of your commission you would pay half of it back to the veterans' board and that would be credited to the soldier.

Mr. BARRETT-HAMILTON: That would be credited to the soldier, that is true; but in that regard I may say that there are veterans in nearly every real estate office in Winnipeg anyway and most offices are looking around to take veterans in, and those veterans will come in as salesmen and they will be the ones who are out the money if you rebate the commission.

Before closing I should like to ask the director a question. I believe in Winnipeg, when property is purchased by the department, a check is made on previous transactions; in other words, a check is made to see if that property has been sold recently for a profit, in which case the department immediately refuses to purchase the property. In other words, it is a protection for the veteran against speculators. I do not know whether that is the Act, but I believe that is the system in Winnipeg.

Mr. MURCHISON: That is correct. There is a section in the Act under which the director may decline to purchase land which appears to have the appearance of speculation. We do make checks to find out whether there has been a recent sale and whether the price we are paying represents, in our opinion, an inordinate profit on the land.

Mr. BARRETT-HAMILTON: Thank you. In closing, gentlemen, may I say that so far as members of the Winnipeg Real Estate Board are concerned, the amount of commission they would expect to make on selling property to veterans is a small item, but we do object to the principle of being banned from dealing with the veterans; and we feel that we are being discriminated against and that it is not fair.

Mr. JUTRAS: Would you say that at the present time you have many listings that would be found suitable for small holdings in the city of Winnipeg or outside? Are you speaking for Winnipeg or for other parts?

Mr. BARRETT-HAMILTON: I am speaking for greater Winnipeg only.

Mr. JUTRAS: Do you know if there are many listings within greater Winnipeg that would not be suitable for small holdings?

Mr. BARRETT-HAMILTON: There are some, and some come up from time to time. I have known cases where the veteran has lost out; and as we mentioned before, the veteran will go to a broker—as I mentioned before he may intend to buy from the department—but he will go out and spend some of the time of the broker and then we find we can go no further with him.

The CHAIRMAN: Thank you. Mr. Rhodes, do you wish to call anyone else?

Mr. RHODES: No, Mr. Chairman. We had expected to have a representative from Quebec, from the city of Montreal Real Estate Board, this morning, but there is a meeting with the rent control officials being held and he happened to be on both committees, so he cannot be here this morning. I should like to take this opportunity of thanking you and the members of this committee for the manner in which you have received our presentation.

The CHAIRMAN: You mentioned four provinces which were actually operating under an Act of their respective legislatures and are licensed, could you tell us which four?

Mr. RHODES: Ontario, British Columbia, Alberta and Manitoba.

The CHAIRMAN: Thank you very much, gentlemen, for your presentation this morning in regard to this very important matter. I can promise you that the committee will study your presentation very carefully and will bear in mind what you have said. Really what we have to consider is what is in the best interests of the veterans.

Now, gentlemen, I have received two telegrams which, perhaps, I should read to the committee. I received them this morning. One is from the Vancouver Board of Trade and is signed by W. E. Payne, secretary, and reads as follows:—

VANCOUVER, B.C., November 22, 1945.

Council this board at meeting today unanimously resolved and instructed me forward you their views urging the Minister of Veterans Affairs to take steps to repeal section thirty-three, paragraph one, of Veterans' Land Act to remove the discrimination against real estate agents so that they can render valuable service and assistance to veterans in their re-establishment in civilian life. Urge your utmost consideration. Full details in airmail tonight.

The other one is from the Vancouver Junior Board of Trade and is dated November 23, and reads as follows:—

VANCOUVER, B.C., November 23, 1945.

Whereas the veteran should be given every facility to locate suitable property which he might obtain under the provisions of Veterans' Land Act 1942 and whereas it is a requirement of the Act that the veteran be employed before he becomes eligible to benefit under the provisions of the said land Act and whereas being employed he will not have the opportunity of searching for a suitable (property) without assistance and whereas section 33 of the Veterans' Land Act 1942 debars real estate agents from receiving any remuneration in return for their services to veterans and whereas this results in real estate agents not offering properties under the Act to veterans and whereas the services and advice of reputable real estate agents is recognized to be of prime importance in the selection of a suitable property by the veteran and whereas a large number of real estate agents are themselves veterans and are precluded under the Act from dealing with and assisting their fellow veterans and whereas all land purchases must be inspected and approved by a government representative before the transaction can be completed therefore be it resolved that the Vancouver Junior Board of Trade respectfully

urge the Minister of Veterans Affairs to take steps to repeal section 33, paragraph 1, of the Veterans' Land Act to remove the discrimination against real estate agents so that they can render valuable service and assistance to veterans in their re-establishment in civilian life and that a copy of this resolution be sent to W. A. Tucker, Chairman of a Special Committee of Veterans Affairs.

Mr. BROOKS: Mr. Chairman, we have heard the gentlemen representing the real estate business across Canada—at least as far east as Ottawa—and I must say that there is considerable confusion in my mind as to just what the situation should be. We have the Act here and we will have to give consideration to the point as to whether it is to be amended or not, and I should like to hear Mr. Murchison reply to some of these points that have been brought out by the real estate people so that we may have the complete picture, as it were. I think we should have that information before the committee.

The CHAIRMAN: We are very close to our adjourning time. I do not think it would be fair to expect Mr. Murchison to deal with this submission in five minutes. I believe we should try to finish with this matter today if we can, and we might be able to meet at 2 o'clock.

Mr. GREEN: We would not expect any very lengthy statement from Mr. Murchison, and if he could simply give us a short outline, I think it would be all over in ten minutes.

Mr. CRUICKSHANK: What about the Legion?

The CHAIRMAN: I spoke to the Legion this morning about this matter and asked them to have a representative here, but I think they were also attending this other meeting which was mentioned. I believe that before we come to a decision on this matter we should have other views, but I think the Legion and Mr. Murchison would want to have a chance to study the representations. As a matter of fact, I was talking to Mr. Herwig and he takes a reasonable attitude; he says that if it can be shown that this is in the best interests of the veterans they are always ready to do what is in the best interests of the veterans.

Mr. BROOKS: That is the principle which should guide us.

The CHAIRMAN: I think that is the principle we have to consider. I believe we should have the considered opinion of Mr. Murchison, not a snap opinion, but after he has had a chance to consider these representations, because he might want to think them over. Then there is the question of giving the Legion a chance to be present. Perhaps we should adjourn consideration of this matter until Monday.

Mr. GREEN: No, we have men here who have come from a long way off, and I think Mr. Murchison should make his reply while they are here listening.

The CHAIRMAN: I am in the hands of the committee. Are you agreed to sit at 2 o'clock or 4 o'clock?

Mr. QUELCH: The emergency bill is up at 3 o'clock; it is a very important bill.

Mr. GREEN: Let us go ahead for fifteen or twenty minutes.

The CHAIRMAN: Personally, I do not think it is wise to ask anybody to express an opinion on such short notice. I, personally, do not think it is right to expect Mr. Murchison to get up and answer this presentation right now.

Mr. PROBE: Mr. Murchison is here and he has had years of experience in this business. He has all these things more or less at his fingertips. He is not on trial. He is the administrator on behalf of the people of Canada of the Veterans' Land Act, and it seems to me that in view of the fact that he spoke at some length on this matter a few days ago he should be prepared to speak now, and he is likely quite competent to do so.

The CHAIRMAN: I do not doubt that he is competent to do so, but we are going to give the representations made by these people the proper consideration, and I do not think any of us, and that includes Mr. Murchison, should be asked to make a snap opinion on a matter that is so important. I think in the best interests of the veterans we should take time.

Mr. PROBE: We have taken too much time. 800 people settled out of 11,000 applications, I think is a disgrace.

Mr. BENTLEY: I agree with the chairman entirely. we are dealing with a section of Canadian society which has just as much right to be heard as any other section. I am not speaking for or against the real estate board at the present time, but their case has a right to honest consideration. I believe we should have an appropriate statement from the director, and I believe we should hear the opinion of the Legion before we make any decision; and I believe Monday is the proper time.

Mr. QUELCH: Agreed.

Mr. GREEN: Mr. Chairman, I do not think that is fair. These men have come here, and I think they are entitled to hear Mr. Murchison's statement. It is not right just to leave it at that. There is no reason why it could not be given this afternoon, say at 4 o'clock. Then you can consider the Legion's representations on Monday. But I do not think it is quite fair to close it off until Monday.

The CHAIRMAN: In answer to Mr. Green, may I say this. I think that all that any people appearing before this committee have a right to ask—and you spoke of rights—is to have a hearings of their views, and that their views should be carefully considered; I do not think they have the right to demand that anybody make an answer in front of them.

Mr. QUELCH: It never has been done in the past.

Mr. GREEN: They are not making that demand at all.

The CHAIRMAN: You said they had the right to that. I do not agree. If they want to hear what Mr. Murchison has to say, then they have every privilege of staying here and attending the hearing in this committee when it considers the thing in an orderly and proper manner. I am satisfied that this is too important to attempt to make a rushed and hurried decision on the matter, and I think that applies to the director as well as to the committee.

Mr. GREEN: Mr. Chairman, would it be possible for us to sit at 4.30 this afternoon?

Mr. BENTLEY: There is an important measure up in the House this afternoon.

Mr. QUELCH: I move that we adjourn until Monday.

The CHAIRMAN: I appreciate Mr. Green's anxiety to get this matter dealt with as quickly as possible. If we are willing to sit in the afternoons, we could modify the decision of the steering committee and sit one or two afternoons perhaps next week.

Mr. GREEN: If you take this thing over until Monday, that means you will not get at your Post-Discharge Re-establishment Order until Friday. It is practically writing next week off.

The CHAIRMAN: I think we should agree to sit a couple of afternoons next week, in the light of the big program which I laid before the committee.

Mr. HERRIDGE: I should like to move that we hear the Legion and Mr. Murchison on Monday. I think we should have some consideration of this.

Mr. VIAU: I will second that.

The CHAIRMAN: All in favour of that? Against? We will have to count the vote on it. Those in favour of hearing Mr. Murchison and the Legion on Monday? Those in favour of hearing them this afternoon or against the motion?

Motion agreed to.

The CHAIRMAN: Then we hear them on Monday.

Just before the committee rises, may I say that I have here the reprinted draft proposed bill, and it embodies in it all our proposed amendments including the proposed section 1 defining "minister" as Minister of Veterans Affairs and defining "veteran". In view of the fact we are not going to report this bill until Monday, we will have this reprinted bill distributed, and I hope we will be able to carry this clause because I think it just embodies what we have already decided upon. That brings up the question as to when we shall meet on Monday.

Mr. BROOKS: The same hour.

The CHAIRMAN: The same hour, 11 o'clock on Monday.

Mr. BENTLEY: That is pretty late. Why not 10.30?

Mr. BROOKS: Some people come in on trains in the morning.

The committee adjourned at 12.35 p.m. to meet again on Monday, November 26, at 11 a.m.

APPENDIX "A"

21 November, 1945.

Mr. A. L. BURGESS,
Special Committee on Veterans Affairs,
House of Commons,
Ottawa, Ontario.

Dear Mr. BURGESS:—With reference to your letter of the 13th November 1945, and the attached copy of the report of the sub-committee of the Special Committee on Veterans Affairs appointed to consider regulations governing the discharge, for misconduct, of service personnel.

The Board of Review, under amendments to the War Service Grants Act now proposed by the Veterans Committee, would be empowered to order payment of gratuities to service personnel discharged for misconduct, where circumstances so warrant. The subcommittee now recommend that, in those cases where the Board orders payment of the gratuities, the discharge certificate should be automatically amended to disclose a new "stated cause of discharge".

This Department has no objection to a Board of Review being empowered to order payment of gratuities whenever circumstances warrant, irrespective of subsequent nature of discharge. Likewise, this Department has no objection to such service personnel securing the benefits under the other rehabilitation measures.

It is the considered opinion, however, that it should not be mandatory for the service to alter the discharge certificate in cases referred by the Board of Review, but rather that the service concerned should retain a discretionary power to determine the stated cause of discharge to appear on all discharge certificates.

For example, in the case of incorrigibles who have been of little or no use to the service during the war, it is considered that, while sympathy must indeed be shown in all "post-hostilities reviews", the position of these personnel on discharge must be kept in the proper relation to that of personnel who have rendered long and good service.

In short, while this Department can see no serious objection to the rehabilitation principle being invoked in the application of post discharge benefits, it desires to emphasize the need of protecting the position of all servicemen who have rendered good and valuable service in the war.

Yours very truly,

A. ROSS,
Deputy Minister (Army).

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Canada - Veterans Affairs
Committee on, 1945

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SESSION 1945
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 25

MONDAY, NOVEMBER 26, 1945

WITNESSES:

Mr. W. S. Woods, Deputy Minister of Veterans Affairs;
Mr. W. G. Gunn, Counsel, Department of Veterans Affairs;
Mr. G. Murchison, Director, Soldier Settlement and Veterans' Land Act;
Mr. J. C. G. Herwig, Dominion Secretary, Canadian Legion of the B.E.S.L.;
Messrs. E. N. Rhodes, J. P. Roberts, Kennett Lyle and Col. E. J. Cleary
representing the Canadian Association of Real Estate Boards.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1945



REPORT TO THE HOUSE

MONDAY, November 26, 1945.

The Special Committee on Veterans Affairs begs leave to present the following as its

FIFTH REPORT

Your Committee has studied and carefully considered the legislation, orders in council and regulations relating to the settlement of veterans on farms and small holdings.

Your Committee has embodied its conclusions to date in a proposed bill to amend The Veterans' Land Act, 1942, a draft of which is annexed hereto, and recommends that the Government give consideration to the introduction of such a bill.

All of which is respectfully submitted.

W. A. TUCKER,
Chairman.

DRAFT OF A PROPOSED BILL TO AMEND THE VETERANS' LAND ACT, 1942

His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Paragraphs (a) and (d) of section two of *The Veterans' Land Act, 1942*, chapter thirty-three of the statutes of 1942-43, are repealed and the following substituted therefor:—

(a) "Minister" means the Minister of Veterans Affairs;

(d) "veteran" means a person who at any time during the war declared by His Majesty on the 10th day of September, one thousand nine hundred and thirty-nine, against the German Reich and subsequently against other powers, has been therein engaged on active service in a naval, military, or air force of Canada, or of any of His Majesty's forces if at the time of his enlistment he was ordinarily domiciled or resident in Canada; and

(i) whose service has involved duties required to be performed outside of the Western Hemisphere; or

(ii) who has served only in the Western Hemisphere for a period of at least twelve months, not including any period of absence without leave or leave of absence without pay, time served while undergoing sentence of penal servitude, imprisonment or detention, or service in respect of which pay is forfeited; or

(iii) who, wherever he may have served, is by reason of disability incurred as a result of such service in receipt of a pension;

and has been honourably discharged from such naval, military, air force, or other of His Majesty's forces or has been permitted honourably to resign or retire therefrom;

and "veteran" also means a British subject who was ordinarily domiciled or resident in Canada at the beginning of the said war and who is in receipt of a pension in respect of a disability incurred while serving upon a ship during the said war.

2. The said Act is further amended by adding thereto immediately after paragraph (d) of section two thereof the following:—

(e) "Western Hemisphere" means the continents of North and South America, the Islands adjacent thereto, and the territorial waters thereof, including Newfoundland, Bermuda, and the West Indies but excluding Greenland, Iceland and the Aleutian Islands.

3. The said Act is further amended by adding thereto immediately after section seven thereof, the following heading and section:—

BUILDINGS AND IMPROVEMENTS

7A. (1) The Director may for the purposes of this Act:—

(a) erect on land acquired by him such buildings or effect such other improvements as he may deem necessary;

(b) enter into a contract with a person, firm or corporation, or with a province, city, town or municipal authority for the erection of such buildings and for effecting such other improvements as he may deem necessary; and

(c) grant a roadway, right of way, easement or other right or interest in, over, through or upon such land.

(2) For the purposes of this section the expression "improvements" includes works for sewage disposal, works for the supply of water, gas, electricity or other services, roads, drainage and the cost of preparing plans of subdivisions and any other plans required for such improvements.

4. Section nine of the said Act is repealed and the following substituted therefor:—

9. (1) Subject to the provisions of this Act and the regulations made thereunder, the Director may contract with a veteran certified by him to be qualified to participate in the benefits of this Act for the sale to such veteran of land and improvements thereon, building materials, livestock and farm equipment up to a total cost to the Director of six thousand dollars, but subject to the following conditions:

- (a) that the cost to the Director of the land, improvements and building materials shall not exceed six thousand dollars;
- (b) that the veteran has paid to the Director ten per centum of such cost and the entire cost price of land, improvements and building materials in excess of six thousand dollars;
- (c) that the cost to the Director of the livestock and farm equipment shall not exceed twelve hundred dollars or the amount by which six thousand dollars exceeds the cost to the Director of the land, improvements and building materials, whichever is less;
- (d) that the sale price to a veteran of land, improvements, building materials, livestock and farm equipment shall be, in addition to any sum paid by the veteran before contract made, a sum equal to two-thirds of the cost to the Director of the land, improvements and building materials;
- (e) that the interest rate payable by a veteran shall be three and one-half per centum per annum;
- (f) that the balance of the purchase price payable by a veteran may be extended over a term not in excess of twenty-five years with interest at the rate aforesaid on the amortization plan;
- (g) that at the discretion of the Director terms of payment by a veteran may be varied to provide for payment of interest charges only for a period of five years first following the date of sale or for annual or semi-annual or monthly payments of principal and interest provided that a maximum repayment period of twenty-five years is not exceeded;
- (h) that save upon payment in full to the Director of the total outstanding cost to the Director of the land, improvements, livestock and farm equipment together with interest at the said rate on the said outstanding cost and all other charges owing by the veteran in respect thereof, no sale, assignment, or other disposition of the subject-matter of a contract between a veteran and the Director shall be made by the veteran, nor shall a conveyance or transfer be given by the Director to a veteran, during a period of ten years following the date of the relative contract and thereafter only if the veteran has complied with the terms of his agreement for the said ten-year period.

(2) Subject to the provisions of this Act and the regulations made thereunder, the Director may contract with a veteran certified by him to be qualified to participate in the benefits of this Act for the sale to such veteran of land and improvements thereon, building materials and commercial fishing equipment up to a total cost to the Director of six thousand dollars subject to the same conditions set forth in subsection one of this section with the words "commercial fishing equipment" substituted for the words "livestock and farm equipment" wherever they occur therein.

5. Section thirteen of the said Act is repealed and the following substituted therefor:—

13. The Director may make advances to a veteran certified by him to be qualified to participate in the benefits of this Act to enable the discharge of encumbrances on farm land that is owned and used by the veteran as such, for the purchase of livestock and farm equipment and for the effecting of permanent improvements, of amounts not exceeding in the aggregate the sum of four thousand four hundred dollars, but subject to the following conditions:—

- (a) advances for all purposes shall not exceed sixty per centum of the value of the land as established by the Director;
- (b) advances for the purchase of livestock and farm equipment shall not exceed fifty per centum of the value of the land, and shall not exceed a total of two thousand five hundred dollars, and all such purchases may be subject to the approval of the Director;
- (c) such advances shall constitute a first charge on the land of the veteran with respect to which the advance is made and repayment thereof shall be secured by a first mortgage or hypothec upon such land;
- (d) the terms of repayment may be extended over a period of twenty-five years with interest at the rate of three and one-half per centum per annum on the amortization plan;
- (e) at the discretion of the Director terms of repayment may be varied to provide for payment of interest charges only for a period not in excess of five years first following the date the advances are made, or for annual or semi-annual or monthly instalments of principal and interest provided the maximum repayment period of twenty-five years is not exceeded;
- (f) repayment in full of advances made under this section may be made at any time without notice or payment of bonus.

6. Section thirty-five of the said Act is repealed and the following substituted therefor:—

35. (1) The Minister may, with the approval of the Governor in Council, enter into an agreement with

- (a) the government of any province for the settlement of veterans on any provincial lands that the provincial government may recommend as being specially suitable for settlement by veterans; and
- (b) the Minister of Mines and Resources of Canada for the settlement of veterans on any Dominion lands that the Minister of Mines and Resources may recommend as being specially suitable for the settlement by veterans.

(2) An agreement entered into pursuant to subsection one of this section shall contain such terms, conditions and limitations with reference to settlement of veterans as the governor in council may approve.

(3) Subject to the regulations made under this Act the director may grant an amount not exceeding two thousand three hundred and twenty dollars to a veteran who settles on provincial or dominion lands pursuant to an agreement entered into under subsection one of this section.

(4) A grant made pursuant to subsection three of this section shall be used only for one or more of the following purposes:—

- (a) the purchase of essential building materials and other costs of construction;
- (b) the clearing and other preparation of land for cultivation;

- (c) the purchase of essential farm livestock and machinery;
- (d) the purchase of machinery and equipment essential to forestry;
- (e) the purchase of commercial fishing equipment;
- (f) the purchase of trapping or fur farming equipment but not breeding stock; and
- (g) the purchase of essential household equipment.

(5) A veteran who has received a grant under this section shall not be entitled to enter into a contract with the director under section nine or section thirteen of this Act, and a veteran who has entered into a contract with the director under section nine or section thirteen of this Act shall not be entitled to a grant under this section.

7. The said Act is further amended by adding thereto, immediately after section thirty-five thereof, the following section:—

35A. (1) The director may grant an amount not exceeding two thousand three hundred and twenty dollars to an Indian veteran who settles on Indian Reserve lands, the said grant to be paid to the Minister of Mines and Resources who shall have the control and management thereof on behalf of the Indian veteran.

(2) A grant made pursuant to subsection one of this section shall be disbursed by the Minister of Mines and Resources on behalf of the Indian veteran only for one or more of the following purposes:—

- (a) the purchase of essential building materials and other costs of construction;
- (b) the clearing and other preparation of land for cultivation;
- (c) the purchase of essential farm livestock and machinery;
- (d) the purchase of machinery or equipment essential to forestry;
- (e) the purchase of commercial fishing equipment;
- (f) the purchase of trapping or fur farming equipment but not breeding stock;
- (g) the purchase of essential household equipment; and
- (h) the acquisition of occupational rights to lands, vacant or improved, located within the boundaries of any Indian reserve.

(3) An Indian veteran on whose behalf a grant has been made under this section shall not be entitled to enter into a contract with the director under section nine or section thirteen of this Act, and an Indian veteran who has entered into a contract with the director under section nine or section thirteen of this Act shall not be eligible for a grant under this section.

8. The said Act is further amended by adding thereto, immediately after subsection one of section thirty-seven thereof, the following subsection:—

(1A) The director may with the approval of the governor in council make regulations authorizing persons named therein to exercise or perform with respect to such matters as may be specified therein, any of the powers or duties conferred or imposed by this Act on the director.

9. The said Act is further amended by adding thereto the following section:—

39. Notwithstanding the Senate and House of Commons Act or any other law, no veteran by reason only of his entering into a contract or receiving a benefit under this Act, shall be liable for any forfeiture or penalty imposed by the Senate and House of Commons Act or disqualified as a member of the House of Commons or incapable of being elected to, or of sitting or voting in the House of Commons.

MINUTES OF PROCEEDINGS

MONDAY, November 26, 1945.

The Special Committee on Veterans Affairs met this day at 11.00 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Baker, Belzile, Benidickson, Bentley, Blair, Brooks, Croll, Dion (*Lake St. John-Roberval*), Drope, Gauthier (*Portneuf*), Gillis, Harkness, Herridge, Isnor, Jutras, Langlois, Lennard, Marshall, Mackenzie, McKay, Moore, Mutch, Pearkes, Probe, Quelch, Ross (*Souris*), Tucker, Viau, White (*Hastings-Peterborough*), Winters, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mr. W. G. Gunn, Counsel, Department of Veterans Affairs; Mr. G. Murchison, Director, Soldier Settlement and Veterans' Land Act; J. C. G. Herwig, Dominion Secretary, Canadian Legion of B.E.S.L.; Messrs. E. N. Rhodes, J. P. Roberts, Kennett Lyle, and Col. E. J. Cleary representing the Canadian Association of Real Estate Boards.

The Chairman reported having received a request from the National Committee of the Labour-Progressive Party to appear before the Committee. It was unanimously agreed that it is advisable to hear only representatives of veterans' organizations, or of groups urging claims to benefits under veterans' legislation, and that it would be detrimental to the best interests of veterans as a whole to grant a hearing to any political party; and the clerk was instructed to so inform the National Committee.

Mr. Herwig was recalled, submitted a brief relating to a proposal to amend Section 33 of the Veterans' Land Act, 1942, was questioned thereon and retired.

Mr. Murchison submitted a brief regarding Section 33 and was questioned thereon.

Messrs. Rhodes, Roberts, Lyle and Col. Cleary were recalled, questioned and retired.

Consideration of the proposed draft bill to amend The War Veterans' Land Act, 1942, was resumed.

Clauses 1 and 2 and the title were adopted without amendment.

Mr. Murchison retired.

The draft bill, as amended, was adopted and, on motion of Mr. Herridge, the Chairman was ordered to report the bill accordingly.

At 1.00 o'clock p.m., the Committee adjourned until 10.30 o'clock a.m., Tuesday, November 27.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS

November 26, 1945.

The Special Committee on Veterans Affairs met this day at 11 a.m.. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: This morning we will hear any representations that Mr. Murchison may wish to make in regard to the matter we heard on Friday. We also asked the Legion if they would be here and give us an opinion on it first. I think probably, before we call on the representative of the department, we might as well hear the Legion's suggestions on it. Mr. Herwig, are you prepared to give us those?

Mr. HERWIG: Yes.

Mr. J. C. G. HERWIG, General Secretary, the Canadian Legion of the British Empire Service League, *called*:

The CHAIRMAN: You may proceed, if you will, Mr. Herwig.

The WITNESS: Mr. Chairman, I think perhaps I had better read these comments into the record.

The Legion believes that real estate agents could provide information that would be valuable to veterans wishing to take advantage of The Veterans' Land Act, but if real estate men view Veterans' Land Act settlement merely as an opportunity to promote business for profit then administrative complications will develop.

The Legion believes it would not be wise to encourage real estate men to develop a clientele from among veterans. They could swamp regional offices with applications, which under present conditions could not be dealt with. It has already been found impossible to settle all of those who have applied because of scarcity of materials, labour, farm equipment, livestock, etc.

The Veterans' Land Act represents a rehabilitation scheme, which involves the purchase of land by the government for veterans. Any additional expense incurred, however, must be borne by the veteran, even if included in the vendor's price, and the commission charged for agents' services, while paid by the vendor, will be included in the price charged. The Legion is definitely opposed to veterans being called upon to pay any more than is necessary, knowing from experience with the old Soldier Settlement Act that the additional \$150 to \$200 debt may have to be carried, with interest, for many years.

On the other hand, if real estate men can materially bring down the cost of settling veterans on the land because of some special knowledge, facility or other qualification, then no one should object to their services being utilized. If they can make available facilities that come within the scope of the Veterans' Land Act, both as to quality and price, they no doubt would assist not only the veteran but also the Veterans' Land Act Administration.

The Legion believes that the services of real estate men could be used if they could—

- (1) Regard their operations in connection with the Veterans' Land Act as assisting the government in administering a veteran rehabilitation measure and not as an ordinary commercial service;
- (2) Regard the veteran purchaser's interest as paramount;
- (3) Provide this service without charge, or if not, arrive at a standard scale of charges to be applicable throughout Canada that would not materially affect the cost to the veteran;

- (4) Control those members of the profession that attempt to inflate values or take undue advantage of the veteran purchaser;
- (5) Reach an agreement with the Veterans' Land Act Administration on a limited number of firms with whom the administration will do business.
- (6) Deal only with veterans entitled to benefit under the Act who have been certified by the Veterans' Land Act Administration as being suitable for operating a farm or taking up a small holding;
- (7) Enter no deal with qualified veterans before securing the approval of the Veterans' Land Act Administration.
- (8) Consult frequently with District Offices of the Veterans' Land Act to prevent the overloading of the Administration.

The success of the Veterans' Land Act settlement does not depend on the number of men that apply, but on the number that can be properly equipped and effectively placed on suitable properties. It is the Government's responsibility to see that this is done. There is no place for high pressure selling or inflated values in the scheme and Section (33) is in the Act to guard against such.

The Legion is opposed to the removal or modification of Section (33) unless agreement could be reached with the real estate profession on the points outlined herein, and some statutory provision made to make them effective.

The CHAIRMAN: Thank you, Mr. Herwig. Does any member of the committee wish to ask any questions of Mr. Herwig?

By Mr. Probe:

Q. What is the object of statement number 5, with regard to limiting the number of firms with which the administration might do business, in the event that they were allowed to do so.—A. I think that would be so that everybody who considers himself a dealer or a vendor of properties would not necessarily swamp the board with their requests.

By Mr. Brooks:

Q. In the second paragraph you say, "It has already been found impossible to settle all of those who have applied because of scarcity of materials, labour, farm equipment, livestock, etc." That is not taking the long view of the land settlement here, I would take it. That is also a temporary situation.—A. That is true; it is a temporary situation. But at the same time I think this. What we want to make sure of is that when a man is settled this time, he is really well settled, and that all the elements in the settlement are carefully reviewed before that settlement takes place.

Mr. BROOKS: Of course; that is very sound.

By Mr. Bentley:

Q. In connection with number 5, I presume that your suggestion implies that the real estate boards themselves would agree on those firms which would be recommended as doing business or making agreements with the Veterans' Land Act administration or do you mean that the administration would choose their own.—A. I am not really familiar with the set-up of those real estate boards, but I am assuming that they represent organizations that have standards and have some means, as other commercial organizations have, of putting those standards over. If that is the case, it ought to be quite possible to make agreements of this kind.

The CHAIRMAN: Thank you very much, Mr. Herwig, for your submission. I am sure it will be very useful to us.

By Mr. Isnor:

Q. There was just one other question. The Legion is definitely opposed to the veterans being called upon to pay any more than is necessary. The costs in connection with the transfer or investigation must be borne by somebody.

—A. Quite.

Q. They are borne at the present time by the government, are they not?

—A. I do not know that.

Mr. CROLL: You are probably thinking of the commission.

Mr. ISNOR: Yes. If so, the same costs—

The CHAIRMAN: A little bit louder, Mr. Isnor, I could not hear you.

Mr. LENNARD: Mr. Chairman, I wish honourable members would address the chair and speak up so we can hear them. This mumbling across to one another is no good.

Mr. ISNOR: Mr. Chairman, I am sorry that the gentlemen at the extreme end of the room did not hear me.

Mr. ROSS: I could not hear, and I am not very far away.

Mr. ISNOR: Unfortunately I have not as loud a voice as the gentlemen who have objected. I inquired as to whether there would be any additional costs in regard to transactions carried on by representatives of the real estate firms should such a system be deemed advisable to inaugurate. I would think that the government would pay for the cost in either case, whether the work is carried out with firms known as real estate operators or through the department's own investigators.

The CHAIRMAN: Mr. Isnor, the suggestion was made by the representatives of the real estate people that any commission so charged was paid by the vendor; and Mr. Herwig is suggesting that although that is paid in the first instance by the vendor, he will take into consideration in setting his price what he may have to pay as commission for getting the property sold, so that in the long run perhaps the soldier will have to pay that commission indirectly in the price. Mr. Herwig is suggesting that he wants to keep the price down or not take any other costs into it if he can avoid it.

The WITNESS: Right.

By Mr. Green:

Q. Do you think the government, when they deal with the owner directly, can buy a piece of land at a price which is one cent cheaper than the price they will pay if they deal through the owner's agent?—A. Well, I cannot answer that question. All I can say is this. The Veterans' Land Act administrations have a large staff of very competent people who have been working in this field for many years. I should imagine they ought to be able to buy as cheaply as any one else, although it must be admitted that possibly the real estate people have a lot of information that they have not got, and which would be very valuable to this scheme.

Q. You are aware that the Veterans' Land Act has become largely a small holding scheme now rather than a farm settlement scheme?

The CHAIRMAN: No, that is not quite correct.

Mr. GREEN: The figures bear that out.

The CHAIRMAN: That is hardly correct.

Mr. GREEN: The figures show two or three times as many small holdings as there are farms.

Mr. QUELCH: That may be a temporary condition.

The WITNESS: If we get into the small holding end, which in some respects might be regarded as housing plan, I would say that all I have said applies equally as well there as it does in the farm operations. As a matter of fact, in the sale of houses and property of that kind, I think that the veteran, in many cases that have come to our attention, has already been, shall we say, skinned by vendors. Whether they had agents or not I do not know. But certainly they were charged very much beyond the value of the property. I am not expert enough to know whether prices can fall rapidly in the real estate business, but I know it is very difficult for veterans to buy property on their own and naturally we hope that the Veterans' Land Act can facilitate that for them.

Mr. BROOKS: The impression that I got the other day, from listening to the real estate men, was that there are many lots of land in the towns and cities that are tied up with the real estate agents; that under this Veterans' Land Act they cannot sell them to soldiers who are anxious to purchase, and the result is that the civilians are getting the preference in buying these lots of land and many soldiers who would like to settle are estopped from purchasing land because the land is tied up. It seems to me that is a very important point as far as settling our returned men is concerned, and it really goes to the heart of the matter. We want to get our returned men on small holdings, and we want to get them on farms. If these properties are not going to be made available to them, the Act itself is being defeated in its purpose. I should like to hear your opinion on that particular point.

The WITNESS: I would say this: that if there are any properties tied up in that way so that only the agents can dispose of them, perhaps that ought to be looked into in some way. I do not say that is wrong; but obviously we want all the land that can be made available to the veterans, to be made available to them. It is a question of how that shall be done. At the present time, as I say, the Veterans' Land Act have a staff and facilities of their own. If real estate dealers can assist in that, then there would certainly be no objection on our part, provided they can overcome the obvious difficulties that many veterans have already encountered.

Mr. BROOKS: You recognize then, that, having regard to the way the Act stands at the present time, there would have to be some change made in that section of the Act so as to allow these lands to become available to the returned men?

The WITNESS: Right.

Mr. BROOKS: That is, as the Act stands at present they are not available and we are losing the sale of the land to the veterans.

By Mr. Ross:

Q. I should like to ask Mr. Herwig a question as to what he thinks, or whether he has given any thought to the idea that probably this thing should be separated; that is that the farm settlement and these small holdings should be separated. Despite the fact that Mr. Murchison put some figures on the record the other day which showed that, so far, settlements had been pretty evenly balanced, I am bound to agree with other members that the original intent of the Act has been lost sight of and that the main effort is being exercised on small settlements. From listening to the brief presented by these real estate men the other day, I understood that they were very much more concerned about the small settlements than with farm land, and the man from Manitoba very much so; and I know that to be true in my province. The people there have more supplies of parcels of land and farms than they have been able to

deal with, so that the argument set forth by the real estate men does not apply in farm settlement in my part of the province. Therefore if we are going to give this the consideration that some people are asking for now, I would think probably we would have to separate these two schemes. Has your executive given any thought to this matter at all?—A. No, I do not think we have. Perhaps the small holding scheme is somewhat of an experiment. I do not believe it has gone far enough; neither do I think under present conditions it should be regarded as having failed. I think when conditions change the Veterans' Land Act administration can handle it very well.

Q. You think it was secondary to land settlement. I am not saying anything against land settlement.—A. No. They are two different classes of settlement. One is the full-time farmer and the other the fellow who can operate a small holding together with some other work. But I do not think they should be separated unless you want to make a complete housing scheme for veterans. But even then, I am not sure that the Veterans' Land Act would not be better for a small holding scheme of the kind that people we think are interested in here.

Mr. Ross: I am not advocating they should be separated unless the small holding and housing end of it is over-shadowing the original intention.

Hon. Mr. MACKENZIE: That is exactly what is happening now. I may say that has received very definite consideration. I think the original purpose of the Act of land settlement is being lost sight of at the present time. There are two alternatives that must be faced, I think, in the next year or two. One is to take all these small holdings and housing away altogether from the Veterans' Land Act administration. I am speaking personally now and not as a minister. I think we should have a co-ordinating authority for all the housing schemes in Canada, and that small holdings, urban housing and all these other schemes should be under one centralizing authority.

Mr. Ross: I think you are right.

Hon. Mr. MACKENZIE: I think we are losing sight of what was the real purpose of the Veterans' Land Act when we passed it here in 1942.

Some Hon. MEMBERS: Hear, hear.

Hon. Mr. MACKENZIE: I think this committee, before the Act passes next year, should give some further consideration to that aspect of the problem.

By Mr. Croll:

Q. Mr. Herwig, you do know that it is a common practice for real estate dealers to take these various properties for 30, 60, 90 days or one year's time, under which the vendor signs an agreement that during that time he will pay commission, and in that way they tie up a great deal of property that might be available to the soldier and is not available to the present administrative machinery that we have. You know that. Don't you think it would be wise if that property were made available to the settler?—A. Quite.

Hon. Mr. MACKENZIE: May I say a word? Many of those who are present today were present in the committee of 1942 when we approved the principles of the Veterans' Land Act. At that time there were strong representations made by the Legion in regard to the possible co-operation or intervention of the real estate organizations throughout Canada and we took certain action. I may tell you frankly from the point of view of the administration as I see it—I have only had it for three or four months—that there has been a feeling of profound dissatisfaction throughout Canada. I was not able to hear the representation the other day—I was elsewhere—but with regard to one of the finest professions in the Dominion of Canada and the finer real estate people, they feel there is a slur cast upon them. They had that impression. I think they still

have it, and I think this committee can work out a scheme of real co-operation to meet the point of view of preventing improper sales and yet co-operating with the organized real estate people throughout Canada. I think that can be worked out by this committee before next year.

Mr. GREEN: There is one feature which I think, perhaps, you have overlooked. According to the administration every veteran is expected to select his own property; in other words, if he goes to the Veterans' Land Act people for a small holding they may have a few places listed, but we have had instances given to us here where they have said, "You have to go and find your own place." Now, to find a small holding around one of the larger cities is like looking for a needle in a haystack. If you were going to buy one of them as a civilian and if you were going to buy one around Ottawa you would not like to have to go looking for it yourself; you would go at once to one of the most reliable real estate agents in Ottawa, would you not?

The WITNESS: I might.

Mr. GREEN: That is one of the difficulties that these returned men are facing. In Vancouver I get them in my office repeatedly with the complaint that they are absolutely stymied because they cannot go to a real estate firm.

The WITNESS: I might come up with someone not quite so reputable.

Mr. GREEN: If you were foolish enough to go to anyone like that.

The WITNESS: Yes, I know.

Mr. GREEN: Of course, all these men in our province and in Ontario are bonded and licensed; and I would like to add that they are also all reputable.

Mr. WRIGHT: Mr. Chairman, is it not a fact that these real estate agents go out and try to obtain listings of properties, while our Veterans' Land Act people simply sit at home and wait for the listings to come to them? I think one of the reasons why more small holdings are not listed under the Veterans' Land Act is that the officials have not made the fact known that they are in the market for such properties, and if they did they would have as many listings as the real estate agents have.

Mr. LENNARD: As I understand it, the Veterans' Land Act officials do not list them. I have a case in my mind where a young chap went out and dug up a property and submitted the proposition to the Veterans' Land Act officials and they appraised the land at a certain figure—I think it was \$5,900—and he, through persuasion, got it down \$300 below that. He did that himself. He moved in on September 1, and he has not got possession of the property or title yet because he could not get a surveyor to make a survey, and the Veterans' Land Act officials would not pay for a property until that was done. He is paying \$40 a month and has been since September 1. I know, Mr. Chairman, that if this matter had been in the hands of a good real firm they would have seen to it that that land had been surveyed weeks ago, and that man would be in possession and he would not be paying this \$40 a month. That is a regrettable instance which has been brought to my attention, and I feel there must be many other cases of a similar nature. If a good real estate firm had been looking after the affairs of that chap he would have had a good deal, and he would have his property. After all, speaking of commissions, the Veterans' Land Act officials have the last say; they value the property; and they set the price; and if the seller has to pay a commission that is no skin off their chin.

Mr. BENTLEY: I want to ask the director if the Veterans' Land Act administration carries an extensive advertising campaign throughout the Dominion asking for available properties?

Mr. MURCHISON: I might say, Mr. Chairman, that that was one of the first things we did when we commenced operations in the winter of 1942-43, and it has been carried on intermittently ever since. We have made use of the daily and weekly papers across Canada, and I think I can best summarize the results by saying that while very large numbers of replies were received and a very large number of investigations were made of the offerings sent to us, they were disappointingly small as to quality and suitability of our scheme.

Mr. PEARKES: Mr. Chairman, I had a letter this morning from a veteran on Vancouver Island who had bought a small fruit farm under the Veterans' Land Act and he has not been able to get possession of the fruit farm because there is a tenant still on the property who will not move off. He explains that it is imperative that he start pruning his trees now during the winter months and that he is losing money because he cannot occupy that property. Does the freezing order apply to land which has been purchased through the Veterans' Land Act?

Mr. MURCHISON: If it is in an area where the emergency shelter regulations apply, yes. That is something that we have to watch very closely in operations in certain parts of the country where a tenant is in occupation. It is very dangerous for us to complete the purchase of the property unless we are very sure that the tenant presently in occupation is going to move and give us possession.

Mr. PEARKES: Apparently, in this case the man purchased the property through the Veterans' Land Act authorities and he cannot move onto that property. Is there anything we can do about it?

Mr. MURCHISON: I would like to have all the particulars of the case, because I feel there must be some other explanation, and if there is not I would like to go into the matter.

Mr. PEARKES: I will send the information to you.

Mr. MURCHISON: I may say on that point, Mr. Chairman, that that is one difficulty that has confronted us in connection with the disposal of quite a lot of the former Japanese lands in British Columbia. We have had these lands on hand now for a couple of years. Obviously we had to keep these properties in a reasonably good state of repair.

Mr. CRUICKSHANK: Reasonably, did you say?

Mr. MURCHISON: Yes, reasonably good. And we had to make use of the vacant housing as there has been a great housing shortage existing in the Fraser valley ever since the outbreak of the war, and we found that we must terminate these licences of occupation or leases before we can deliver occupation to a veteran to whom we may sell one of these properties, because they are within a certain radius under the control of the emergency shelter administration.

The CHAIRMAN: Perhaps we should have a statement from the director now with regard to the submissions of the real estate men?

Mr. G. MURCHISON, Director, Soldier Settlement and Veterans' Land Act, *recalled:*

The WITNESS: Mr. Chairman, knowing that this is rather a contentious problem and knowing also that whatever I say on the matter is not likely to be mutually popular and that I shall be quoted on it here and there as I have been in the past, I have reduced my comments to writing, and with your permission I will read from this statement:—

The representations made to this committee by the delegation of realtors last Friday morning follow quite closely the pattern of other representations made to the government or to me, since the Veterans' Land Act came into force in 1942.

It would be stupid on my part to underestimate the handicap to the administration and to veterans which could result from the hostility or enmity of all the real estate agents—with their large membership strategically located across Canada. At the same time I know real estate men here and there who do not like section 33 of the Act but they are not worrying much about it. They appreciate at least some of the difficulties. In the meantime the real estate business is good because, as the representative from Vancouver said last Friday, there is a brisk sellers' market where homes and farms beyond the scope of the Veterans' Land Act are changing ownership.

I have just as much dislike for parochialism as any veteran and, goodness knows, if I thought deletion of section 33 would simplify the job of administering the Act I would be the first to recommend that it be done. The real estate profession has made many requests and passed many resolutions about section 33 during the past couple of years but thus far I have not received, nor am I informed that the government has received, comparable representations from the people more vitally concerned, namely, the veterans themselves.

As director, I do not put forward the claim of infallibility of my judgment on the point of issue, or the infallibility of the judgment of the large number of veterans of World War I or II or both, which accounts for practically 100 per cent of the personnel of the administration. The recommendations I have made to the government or statements I have made to representatives of the real estate business are based on a lifetime of experience in this business, in the course of which I have accumulated considerable knowledge of the problems of both field and office administration and of human nature generally. My judgment on these matters is backed up by my senior administrative officers all across Canada who have also spent the best part of their lives in land settlement operations. I merely mention these things as evidence of weight of opinion based on a wide area of experience.

As I say, however, I do not claim infallibility. It is our job to administer this Act and if and when section 33 is deleted or modified we are prepared to cheerfully try and carry out whatever changes are decided upon or get out of the way and let someone else do it.

I listened closely to the oral representations made to the committee last Friday and I have read their brief several times. I heard references to a few cases where it was felt that the veteran had been given what is known in service parlance as "a bit of a pushing around." I could, if I wished, give a few illustrations of how a few real estate operators have endeavoured to give this administration quite a pushing around, or to discredit us in the eyes of the public. But the real estate agents concerned are not representative of the best ethics of their profession, so I will say nothing more about it except that the parties concerned represent an element in the profession which would not, in my opinion, contribute very much to the sound establishment of veterans.

There are only a few points in the brief filed by the real estate representatives upon which I wish to make comment:—

1. They state at page 640:—

It is incontestable that the qualified farm realtors of Canada have access to more listings and reliable information about farms than the department could possibly have, and are able thereby to reduce the time and cost to veterans in finding suitable properties for their requirements.

There is quite a degree of infallibility in these words, with which I take issue. It is conceded they may have access to more listings of properties for sale, including many in which we are not interested anyway—but it is not conceded that they have more reliable information about farms and farm values than the department could possibly have. Perhaps they are unaware that in addition to the administration of the Veterans' Land Act and the Soldier Settlement Act,

we have for many years been associated with quite a number of other activities related to land and land value. Our work as the Land Settlement Branch of the dominion government; as an appraisal agency for farm debt adjustment from coast to coast; our participation in the functioning of the P.F.A.A.; our activities in the work of seed grain lien adjustment in western Canada; in our associations with soil scientists and our appreciation of economic surveys, carried out at considerable cost to both dominion and provincial government—all these activities combine to give us a fund of knowledge and appreciation of individual farms and districts or communities which I believe is unique in Canada. It seems to me, therefore, that veterans are not being unduly deprived of the services of experienced advice because of section 33 of the Act.

2. Much has been said by the real estate people on the subject of the vendor paying them their commissions. Somehow I cannot bring myself to believe that a real estate agent is in a position comparable to the person or firm which sells building materials, farm equipment or live stock to the director. The real estate agent has a service to sell; these other people are selling things which they own. Neither can I concede the argument that in land transactions arranged by real estate agents that the vendor pays the commission. It seems to me that the vendor pays the commission from the proceeds of the sale, just the same as the vendor of a suit of clothes or a diamond ring pays the sales tax or the luxury tax. The buyer pays it first. I don't criticize the process—I merely state it in realistic terms. In this business it is not the veteran who buys the land from the vendor, but the dominion government, and it is surprising how careless or how insistent some people are in their offerings.

3. The real estate representatives contend that an agent could make a better deal than the government buying direct. How do they know? I know that in the purchase of the first 407 properties we purchased under the Veterans' Land Act, the saving made over asking prices amounted to the tidy sum of \$237,922, which works out at an average of $11\frac{1}{2}$ per cent of the asking prices and I have reason to believe that very substantial savings have been made in our purchasing operations to date. In spite of all the damning we hear about the S.S.B. in the early days, the official records show that up to March 31, 1921, the prices asked exceeded the prices paid by \$3,530,113. I am mentioning these things as some concrete evidence that my staff are reasonably shrewd fellows and perhaps tough dealers. We have to be tough in the sellers' market which exists to-day in many parts of the dominion. Mr. Gordon is not the only man fighting inflation and he needs all the help there is. I will concede that here and there our purchasing staff is perhaps a little too hardboiled but I would rather be accused of this than of being careless with taxpayers' money and careless about the future welfare of veterans.

I could go on with specific argument but I do not sense that this committee is interested in all the pros and cons. It is simply a matter of deciding if the interests of veterans, which means the public interest, would be better served by removing section 33 from the Act. In this regard it is well to keep in mind that we are dealing for the most part with veterans who are no slouches in looking after their own interests. We have had and will likely continue to have, a percentage of the itinerant or migrant or irresponsible type of veteran to deal with. We are faced to-day with large numbers of men who are, understandably, more concerned with an immediate solution of a housing problem than long range or permanent plans. That situation is common to all the nations of the world and it cannot be cured in a few months in this or any other country. I am convinced, however, that when our veterans have had a little more time to get their local bearings that the widespread interest of people in their home communities such as local municipal officials, branches of the Legion, citizens' rehabilitation committees, and, probably most important of all, the parents of these boys will be of tremendous help in locating

properties which are suitable for establishment and at reasonable prices. In the meantime our staff is not idle along these lines. I know just as well as any real estate agent what it costs to inspect a property and do it thoroughly, to run advertisements in the local newspapers, to operate cars (we have 350 of them on the road) and to maintain an office.

Repeal of section 33 would open up a rather vast field of buyer demand, so far as the real estate fraternity is concerned, with this buyer demand directly financed by the Dominion Treasury with cash on the barrel-head.

There, gentlemen, is the significance of this proposal, and it seems a bit out of balance in the present scheme of things that a real estate agent, operating within the highest ethics of his profession, should be placed in a position to earn a commission for, say, a couple of days' work which would be equivalent to the pay of any army private for two or three months.

I cannot recommend repeal of section 33, but if it has to be done I do suggest that a responsibility rests on the real estate agents to put forward a proposition which would provide for controls against abuse and for a tariff in keeping with the advantages of participation.

I estimate that if section 33 is repealed the groundwork is laid for the payment of commission of approximately \$1,000,000 per year, after allowing for about 50 per cent of our land purchases which will be negotiated by veterans or the administration direct with vendors. We have quite a large number of splendid young veterans now on the staff who are being trained in the techniques of inspection and appraisal. Perhaps some of them may decide to leave us and go into the real estate business.

Mr. LENNARD: Mr. Chairman, Mr. Murchison said that he had a splendid staff and that they were tough. With that at the moment I have no argument. But I should like to ask him if he does not consider that they would be just as tough or perhaps a little tougher if they were dealing with real estate agents. After all, Mr. Chairman, as I said a few moments ago, the final decision rests with the board and its officials, or rather the officials operating the Veterans' Land Act. They set the price, the final price; and regardless of any commission that is paid, they have the say as to what the soldier is going to pay for that land.

The WITNESS: Well, all I can say in reply to that, Mr. Chairman, is that this would merely increase the vendor resistance to negotiation. That is my considered judgment on that. If commissions have to be paid, there will be just that much more resistance towards accepting a lower price.

Mr. ROSS: Mr. Chairman, I cannot just follow the argument of my friend Mr. Lennard, nor that of the chairman of the real estate board in having pointed out that finally your people have agreed on the price. Why that duplication? They have made the point several times that your officials must decide on the price of the land and everything. If they have to do that, I do not see why you need this duplication. Mention was made this morning of the committee of 1942. I suggest that at that time there was not in that committee a veteran who was himself a practical farmer, who recommended this thing being handled by real estate agents. I mean, from past experience there was not one member of the committee who did that. After giving very careful thought to the matter and hearing discussion, we were unanimous in 1942 that it was not in the best interests of the settlement of our boys on farm land. There are here to-day other members who were on that committee, and I think they will agree that what I have said is true.

Hon. Mr. MACKENZIE: That is right.

Mr. ROSS: We admit that these inspectors are a tough crowd. I know down in the corner where I live the vendors have offered many parcels of land that are probably not acceptable. We are, rightly or wrongly, rather

misjudged down there. We are in the corner which is known as the western dust bowl and we went through some very bad years. But in the last three years that same district had the third greatest per capita income of any district in Manitoba. I think these people should be given due consideration here and should not be ruled out simply because they want through those bad periods down there. They have made a come-back, and I think the board should not rule those people out entirely.

I can give a concrete example. Maybe I should not use the vendor's name because it does not depict a pretty situation. I know of a chap who wanted to purchase a farm not a great distance from where I live. He wanted to purchase a farm adjoining his parents' farm for \$11 and some odd cents an acre. I think it was \$11.60 an acre. The inspector said they could not pay over \$7.50 an acre for that farm. Probably it had not extra good buildings on it but it was a good farm. It being a sellers' market, this fellow would only give an option until the end of September, this last fall; the board would not accept that and naturally it was withdrawn. There are several such cases that I know of. I know many farmers throughout Manitoba who have driven in to the board in Brandon, Dauphin, Winnipeg and offered their properties for sale in greater numbers than your board has been able to deal with. I have not always agreed with Mr. Murchison, but this is one point on which I do agree with him. Both he and Mr. Herwig made the point this morning that we cannot take things for granted. These boys must be well settled on a sound basis where they have some reasonable prospects of making a success. One thing which we all agreed on, above all else, in the 1942 committee was that these boys must not be settled on submarginal lands at any cost, and we have to guard against those things. We know what human nature is with regard to selling parcels of land or anything else. As Mr. Murchison says, when it concerns sales to the government, for some reason lots of people seem to think they should get all they can out of the government but which they would not try to get out of a neighbour of theirs. Those are things we have to guard against. In this respect I am bound to agree with Mr. Murchison that we should endeavour to settle these boys on a very sound basis where they have some reasonable prospect of making a success of it.

I want to pay my respects to the members of his board that he has operating in Manitoba. I would sooner think that they were tough than that they were too easy. They are tough and they know their job pretty well and they know land values. I am not satisfied that we are settling these boys as fast as they probably should be, but on the other hand we must retain these safeguards, and not be too light in our considerations and open the thing up wide to get them on there and have a repetition of what happened under the last soldier settlement board scheme. We do not want to go through all of those difficulties again, and we should benefit by some of those experiences.

Mr. LENNARD: Mr. Chairman, Colonel Ross said he did not follow me. May I say that I do not follow him. He is dealing with 500 acre farms. I am dealing with small holdings.

Mr. Ross: That was the original scheme, to go on the farms. This is a secondary consideration now.

Mr. LENNARD: All right. He said, "Why the duplication?" At the present time, in the district that I come from, there is no duplication. The officials that are operating the Veterans' Land Act there have nothing to offer the veteran. He has to go out and root around the country and find property. They go and inspect it, but they have no listings, nothing to offer; and there is no duplication.

Mr. WRIGHT: Mr. Chairman, I find myself, as a member of the 1942 committee and one of the farmers, as is Colonel Ross, in agreement with what he has said. Our committee at that time drafted this Act with a view to its being a land settlement scheme, not a housing scheme or a small holding scheme. I think our whole difficulty in this committee is because of the fact that we have gone into the other type of settlement altogether.

Hon. Mr. MACKENZIE: That is right.

Mr. WRIGHT: I am not prepared to say that, as far as the small holding scheme is concerned, perhaps the real estate agent has not a place to fill in it. But as far as a land scheme is concerned, I find myself in agreement with Colonel Ross. I have had many disputes with the Soldier Settlement Board in the past years, but I have found that they have built up a staff of supervisors in Canada which I think are probably second to none when it comes to knowing the value of farm land in Canada. I would be perfectly satisfied to leave it to their judgment with respect to farm land.

I should like to point out that what is happening under this scheme to-day is that the increase in the price of farm land in Canada over the 1939-40 price is largely wiping out the grant that the government is giving to our returned men.

Hon. Mr. MACKENZIE: That is right.

Mr. WRIGHT: We give \$2,320 as a grant for machinery and a 30 per cent cut-off on the purchase price; and in practically 9 cases out of 10 to-day the asking price for land is approximately that amount over what it was in 1939-40. In reality what we are doing under this scheme is paying to the sellers of land an additional value over the 1939-40 value, which may or not be there in 4 or 5 years from now. It will only be there if the prices of our agricultural products remain at the level that at which they are today. If those prices deteriorate, if they fall from 20 to 30 per cent—as I think most people expect they will—difficulty will arise. Well, the chairman shakes his head but our floor prices today under agricultural products—and I am speaking now of grain in western Canada—are these. Our floor price under oats, for instance, is 51½ cents a bushel and the present price we are receiving is 61½ cents a bushel. Our floor price under barley is 64¾ cents a bushel and we are receiving today 84¾ cents a bushel. Our floor price under wheat, set by order in council not so long ago, was \$1 a bushel—or at least the price below which it cannot go for 5 years is \$1 a bushel. The present floor is \$1.25 a bushel. The price we are getting for the wheat we are selling is \$1.55 a bushel. In the case of dairy products, our floor price for butter is from 30 cents to 35 cents a pound in Canada. The price we are getting today, with the subsidy, is from 40 to 44 cents. In every case the floor is 20 to 30 per cent below the present selling price. This means that in the course of the next five years, when agricultural products again become plentiful, the prices will go to those floors, which means an inevitable drop in the price and value of farm property; and the drop in those values is going to wipe out the equity that we are giving to our soldiers to-day under the Veterans' Land Act.

Those are things which must be taken into consideration by the committee. I know that the director of the Veterans' Land Act realizes that; the supervisors realize it when they are going out to purchase, and that is why they are tough. They are tough because they feel they have got to buy land at a price which is such that the soldier has a chance to pay for it.

Hon. Mr. MACKENZIE: May I ask a question?

Mr. WRIGHT: Yes.

Hon. Mr. MACKENZIE: I think one of the troubles we had in 1920 was that the price of land was too high.

Mr. WRIGHT: Absolutely.

Hon. Mr. MACKENZIE: We had to put the allowance up to \$6,000. From \$4,800 we had to raise the allowance to \$6,000. Would you, as a practical farmer, recommend that the government consider sort of raising the ante above the \$6,000 ceiling? Would that not be dangerous to the settler himself?

Mr. WRIGHT: It would be dangerous to the settler himself. I mean, you are simply raising the price that will be asked for the land. As a matter of fact, in this committee in 1942 I suggested that there should be some parity price established, or some price established whereby the soldier in paying for his land would pay according to the price that he received for the products that he had to sell. I know as a buyer of land under the old Soldier Settlement Board in 1919. I bought land when wheat was selling at \$2.25 a bushel; and the 25 years that I paid for that land, wheat averaged approximately 90 cents a bushel, f.o.b. Fort William or approximately 70 cents a bushel on the farm. I felt that some clause in this land agreement—that is, under a permanent farm scheme—whereby the payment for the soldier would vary according to the price of the products that he had to sell, would be a good thing, and I am still convinced of it. I believe that this committee should still give some consideration to putting some such clause in any agreement with respect to farm land.

Mr. CRUICKSHANK: May I ask a question, Mr. Wright?

Mr. WRIGHT: Yes.

Mr. CRUICKSHANK: It is in conjunction with the minister's question, because I think he has the wheel in his own hand as representing the government in this committee.

Hon. Mr. MACKENZIE: Do not be too sure of that.

Mr. ROSS: Ask him if he is a member of Treasury Board.

Mr. CRUICKSHANK: I think the government has the solution in that they can guarantee to the farmers a reasonable floor price with the price of land as it is now. Never mind raising it above \$4,800 or \$6,000. You see that Jimmy Gardiner sets the floor price according to the price we are paying for the land now.

Hon. Mr. MACKENZIE: You talk to Jimmy.

Mr. WRIGHT: Mr. Cruickshank is perfectly right in that. If the floor price is fixed at the present selling price of agricultural products, I do not anticipate that the director will have any trouble in making his collections for the next 25 years on the farm land. But Mr. Cruickshank is quite optimistic if he thinks the government is going to do that.

Mr. CRUICKSHANK: I just want to say one word, because we are getting away from this party which came thousands of miles to tell us their story. I think that the big problem is the one I mentioned. I have criticized the director probably as much as any member of this committee, and probably will do so in the future; but if this scheme is not a success, it is neither the director's fault, the real estate board's fault or the civilians' fault. It is the fault of 60 soldier members of this committee if we, irrespective of our party, do not insist on the government of the day seeing that the floor price is maintained.

Mr. BROOKS: Mr. Chairman, I was going to ask the director a question. I feel myself in agreement with Mr. Wright and Mr. Ross.

Mr. CRUICKSHANK: Include me, Mr. Brooks.

Mr. BROOKS: Yes, I always agree with Mr. Cruickshank because he is never wrong. I feel myself in agreement with those I have mentioned and with the other members who have spoken. But it seems to me that the farm settlement and the small holding settlement, as the minister has said, are two widely opposite settlements.

Hon. Mr. MACKENZIE: That is right.

Mr. BROOKS: I believe that what is said about the farm settlement does not apply so much to the small holding. The director spoke about the veterans not making any representation or protesting against what the real estate people have asked for. I am quite satisfied that this problem did not arise until the present time, with so many thousands of our men coming back anxious to get settled in the towns and in the cities. In the past there was not that problem. I should like to ask him if that problem is not arising now. I should also like to ask him this question. Where there are lands which are now being held by the real estate people that would be of some advantage to us if we could get them for the men who are coming back and hope to get settled in our towns and cities, is there any reason why we should not cooperate with them for the benefit of the returned soldier? Because after all, **that is all we are interested in.** I got the impression that there has been a sort of vendetta between the real estate people and Mr. Murchison's department over the last few years. We are not interested in that at all. What we are interested in is the settlement of the soldiers who are coming back.

Some Hon. MEMBERS: Hear, hear.

Mr. BROOKS: If there is land held by the real estate people which should be in the hands of Mr. Murchison's department, then I think there should be some cooperation between Mr. Murchison's department and the real estate people for the benefit of the veterans themselves. I would ask him if that condition has arisen at the present time with so many thousands of our men seeking land, as they are doing.

The CHAIRMAN: Have you in mind particularly land suitable for small holdings?

Mr. BROOKS: Yes. Suitable for small holdings, around the towns and cities. As I understood the real estate people, they themselves are not greatly interested in the farm settlement scheme. Their interest is more in the small holdings.

The WITNESS: I do not think, Mr. Chairman, that the real estate agents hold a lot of land. They told us here last Friday that that is not their business. They have listings. They do not control them. They have listings for sale. The Act prohibits the sale of that property to us through their auspices if there is a commission paid. There is nothing to prevent their being sold if there is not a commission paid. The great difficulty around our large centres of population such as Vancouver, Winnipeg, Hamilton, Toronto, Sarnia, Ottawa, Montreal and so on, with regard to small holdings up to the present time has been that there is a very great ordinary civilian demand for that very type of things which stems directly from the shape of the housing in all these cities. I know that Mr. Green and Mr. Cruickshank will bear me out when I say that, because of the influx of war workers into the Vancouver area during the war, a tremendous demand arose for the very type of property in which we are interested, whether it be small farms or small holdings, and a most remarkable rise took place in the asking prices and the buying prices of properties of that class.

We have knowledge of quite a large number of properties in the Vancouver area which have sold during the past few years at prices that to us, at any rate, whether we are right or wrong, were pretty well insane as far as the veteran is concerned. Now, in order to give this small holding idea some practical meaning to veterans here and there across Canada, and particularly around the larger centres of population, it is found that it is quite impossible to acquire small holdings already equipped with buildings—I have said that on more than one occasion before this committee—because those places were closely held by existing owners, or, if they were for sale, they were being purchased by people

who were enjoying wartime prosperity and were able to pay prices beyond what our ideas of values may be for those particular properties. So, to give any scope at all, we were forced into the position of having to buy some land, and we bought land in fairly large acreages. Those lands have been subdivided, and it is on those lands that we are building some houses. I feel a little bit disturbed when I hear one member after another in this committee saying that we have converted this Veterans' Land Act into a small holding Act. Thus far that has not been the case. I placed figures on the record last week which up to this time showed a difference of only 115 between farm establishment and small holdings. At the same time, I think everyone will recognize that if we are to give this small holding idea the scope it must have across Canada we are going ultimately to sign up with two or three small holdings for every full-time farming establishment. That is quite understandable because of the proportion of veterans who are qualified to farm as compared with the number of veterans who are qualified to do some other job and who want a little piece of land and a decent home.

Mr. BROOKS: I do not think anyone is objecting to that; they are saying that the two should be kept separate.

The WITNESS: I do not think we are even close to a time when this small holding idea will function on the basis of our purchasing properties already equipped with homes because of the intense housing shortage all across the country, and the people who own those places are living in them and they have no place to go.

Mr. MUTCH: You cannot get them in the large areas, but you may be able to get some in the small centres.

The WITNESS: Yes, in the small centres, but certainly not around the larger centres in any worthwhile number. I hope you do not feel, Mr. Chairman and gentlemen, that I am acting mulish on this matter. Goodness knows I have plenty of friends in the real estate profession across Canada—good friends of mine whom I have known practically my whole life.

Mr. CROLL: Even after this morning's statement?

The WITNESS: Oh, yes, we do not take too seriously everything that takes the form of a resolution or a petition. I know lots of good real estate men who argued this matter out with me, and they realize there are difficulties. If some reasonable program can be projected which will provide the controls necessary for an operation of this magnitude, extending right from Cape Breton to Vancouver Island, anything that is going to facilitate the operation of the Act, that is going to protect the veteran—because he is the fellow we are interested in—I am quite prepared to cooperate; but it is pretty hard in a country of this size, with all its variations and local conditions, to indicate to this committee in any brief or quick manner just how that kind of proposal should be worked out.

Mr. GREEN: Mr. Murchison, the figures you gave us on November 12 still stand, I presume? On that date, as reported at page 624 of our proceedings, you said that up to the end of 1946 you estimate there will have been 14,276 applications for farm establishments and 20,040 for small holdings, and 1,464 for fishing, or a total of 35,780. Then you went on to say that as against that number of applications it was expected that you would be able to settle 6,420 farmers, 10,225 small holders, and 825 commercial fishermen, or a total of 17,407. That, of course, is less than half of the applications. These figures are accurate, are they?

The WITNESS: That is right. Those are the best estimates I could submit on the basis of a survey conducted by us.

Mr. GREEN: Is not this the situation, that there is a very definite place for some people to be out and try to find farms and small holdings for the veterans? That is a very essential service. At the present time you have not got the staff to do that. Your staff is set up for inspecting and appraising applications, and you have not got the staff anywhere in Canada to go out and render efficient services in the way of finding farms and small holdings; is not that the situation?

The WITNESS: I would not say that our staff is so limited that it cannot do anything along those lines. My staff has increased from about 230 in 1942 to something like 1,000 to-day.

Mr. GREEN: No, but do you claim now that you have a staff that is fully qualified and strong enough to go out and render first-class service in the way of finding farms and small holdings for veterans?

The WITNESS: Not to meet the present demand.

Mr. GREEN: I think that is fairly obvious, because they are telling these veterans that every veteran is expected to select his own property.

The WITNESS: I think that it is very wise that he does, too; that he at least interests himself in finding a proposition that he thinks meets his needs. because we have been charged many times in the last four or five years that under the last Act we put people on farms on which they should not have been placed. Now, that never happened, of course, but it is a belief that exists. We think that the veteran should take some active part in selecting the place he wants.

Mr. GREEN: On the other hand, the real estate people of Canada are in a position to give that service of finding properties for the veterans, are they not? That is their business.

The WITNESS: That is their set-up, sure.

Mr. GREEN: Would it not be possible to make some kind of amendment to section 33 that would enable the soldier to take advantage of those services and at the same time prevent either the veteran or the government being defrauded or dealt with unfairly; is not that our problem in this committee?

The WITNESS: That I think is right.

Mr. GREEN: What would be the effect anyway if we wrote into section 33 that no commission could be charged over and above a certain amount; would not that meet the situation?

Hon. Mr. MACKENZIE: Supposing we adopted the first suggestion, would you not make it subject to the consent of the regional advisory board—permitting contact with a real estate advisor before the transaction was consummated, subject to the consent of the regional advisory committee?

Mr. GREEN: Yes. That would be better still. Could we not have something of that type, some simple amendment written into section 33, so that our difficulty would be solved?

The WITNESS: I think, Mr. Chairman, that any attempt to work out a formula, a workable formula, in this Act will depend to a large degree upon the views of the real estate profession as to some figure they regard as being fair in the circumstances—either a minimum or a maximum figure—because, after all, if it is going to set out a flat commission of 5 per cent, the administration do all the work anyway; we inspect the land, we put it through the advisory committee, the dominion government bears the cost, so far as the veteran is concerned, of obtaining the title, and all these parts of the show are charged up to the administration—now, I think in a program of that kind, where the real estate agent has a listing and the property is suitable, we are prepared to

take it in and use it—I think as I suggested in my brief that there should be some tariff agreed upon which is more in line with the value to the real estate agent of participating in such a very wide new field of activity. I think it is up to the real estate profession to give us some indication along those lines, rather than that I should suggest they get.

Mr. GREEN: We have with us to-day representatives of the real estate men and I wonder if they are in a position to make some suggestion to Mr. Murchison?

The CHAIRMAN: Mr. Green, they were asked that the other day—they were asked to consider, if they were let into this field, the giving of a substantial rebate on their original charges, and my recollection is that they felt they could not speak for the whole profession so far as their instructions carried from thus far. I think you have the right idea.

Mr. GREEN: Mr. Rhodes is here; perhaps he could answer that question.

Mr. RHODES: May I speak?

The CHAIRMAN: Certainly.

Mr. RHODES: Mr. Chairman and members of the committee, our only reason for being here before a body which is dealing with veterans' affairs must be that we feel that we can perform a service to assist the veteran in establishing himself on land. I should like to take the brief or the submission that Mr. Herwig has made, because I really feel that he is to be congratulated on his statement. He looks at the matter from the point of view of the veteran and as far as we are concerned we could have no quarrel with any part of it. As a matter of fact I think he splits the thing up and deals with it in a logical manner, and I should like to be permitted to briefly comment on each paragraph.

The first two paragraphs are exactly in order and the sincerity of our purpose in being here must make that part of our program. As far as No. 3 is concerned, I do not think that we could be asked to deal with this matter entirely without some remuneration because the salesmen in our own offices, many of whom are veterans and more will be—because we have been asked to take them on by the Canadian Vocational Training authorities—derive their livelihood from the sale of property. I do not think we should be asked to do that thing for nothing.

I would point this out, though, that if you do amend section 33 and permit a veteran to deal with an agent in certain cases, the first effect of it will be this, that, perhaps, many more vendors will immediately list their property with the Veterans Affairs Department because by so doing they would avoid the payment of a commission, which might immediately increase the number of listings which Mr. Murchison would have for the reason that if they deal with the Department of Veterans Affairs the vendors would have no commission to pay. That might be beneficial in itself. I would control those members of the profession attempting to inflate values and take undue advantage of the veteran purchaser. The real estate agent is only a negotiator between the vendor and the purchaser, and in this case the vendor has a farm holding or piece of land which he wishes to sell to the Department of Veterans Affairs, and the department are the purchaser, and they have competent officials to pass on the soil and the type of farm, and we simply act as negotiator or we would so act in some cases. Now, Mr. Murchison has made the point that his department has been able to save 11½ per cent in purchasing land. I can assure him from the experience in my own office—and I am sure that the men with me will agree—that this is the normal or perhaps a little higher than the normal spread between the asking price and the price paid for a piece of property. It is only natural when a person lists a property that he increases the asked price, and normally you get the agent acting as a buffer between the vendor and the purchaser, and you arrive at a reasonable price.

Then they say, "Reach an agreement with the Veterans' Land Act administration on a limited number of firms with whom the administration will do business." I suggest if you saw fit to amend section 33 to read, "licensed and/or bonded real estate agents" that you would then be dealing only with agents who are able to pass the licensing laws in those provinces in which they are permitted to operate; and in the case of the provinces where they have not licensing laws, they would have to be bonded, and in order to be bonded they have to pass a character test and are examined as to their financial background and so on, so you would obviate the fly-by-night type of person whom you do not want the veteran to deal with.

Next they say, "Deal only with veterans entitled to benefit under the Act who have been certified by the Veterans' Land Act administration as being suitable for operating a farm or taking up a small holding." I think that is a very prudent suggestion, that the agent before attempting in any way to show the veteran a property should know that he is in a category which is able to buy it, and I think that could be done by circularizing the real estate agents in Canada and advising them of the proper method to proceed under the Act which, I understand, is the way that it is done in the United States.

Then next they say, "Enter no deal with qualified veterans before securing the approval of the Veterans' Land Act administration." As I understand it, our function would be to act really to assist the veteran in finding places, and our salesmen and our offices would be available; our motor cars would be there to drive him and show him the places. We would have no power to enter into a deal with the veteran anyway because the purchaser is the Department of Veterans Affairs, and all we would do is find suitable places which the veteran would then submit to the department which in turn have the facilities to find if the land is proper, if the value is right and so on.

The next is, "Consult frequently with district offices of the Veterans' Land Act to prevent the overloading of the administration." That I think is a very prudent suggestion and one that we would naturally follow.

As to the rate of commission, I think it is only proper that a standard rate be set that a maximum allowable be written into the Act, according to your judgment.

There is one other matter that I should like to bring to the attention of the committee and it is this. I think some members were worried about the land speculator. There is a section in the Act which allows the director, if he feels that the land is being sold for too high a price, to refuse to purchase it. I should like to see that go perhaps even further, and put the onus on the vendor just as is done under section 33, that he is obliged to state that the land is not being sold at more than he paid for it if it was purchased subsequent to the dates shown in the Act. I think that would preclude any person taking a speculative attitude in the matter.

There are two other matters that I should like to briefly tell you about, and one is the matter of listings. A listing is usually made for a set period of time, usually from 30 to 90 days; so that it really would be impossible for the real estate agents to tie up property for any great length of time under these arrangements. That is only for exclusive listings, and we deal in many, what we call, open listings in our offices. I submit if you allowed this section 33 to be amended, many vendors would immediately go and deal with the department, because that would thereby obviate the necessity of paying a commission. Although to some extent it might not be beneficial from our point of view, we are quite prepared, if we can be of service to the veterans, to risk that.

There is one other matter. Mr. Murchison said you would be immediately opening the way for a million dollar commission pot for real estate agents in Canada. I think it has been amply demonstrated to the committee that his department has many qualified people in their organization; and furthermore,

that if you allow this amendment which I suggest, "bonded and/or licensed real estate agents", that many vendors would immediately go to the department and list their property because they would be saving the commission that they would otherwise have to pay to the agent.

Mr. CROLL: No. I think you lose the point.

Mr. WRIGHT: I should like to ask Mr. Rhodes two questions. One is as to what he knows as a real estate dealer. Ottawa is your district, is it not?

Mr. RHODES: Yes.

Mr. WRIGHT: What has been the increase in the value or asking price, shall we say, of farm lands from 1939-40 to the present time? And again, what has been the increase in the asking price of land which would be suitable for small holdings adjacent to Ottawa as between 1939-40 and 1945, the present time?

Mr. RHODES: I cannot answer that question as to my own office, because we do not deal in farm properties, and very little in suburban property of the type that would come under the Veterans' Land Act. But I would say that there has been an increase. I cannot say the percentage. I think that some of the increase is due to the fact that many, many people who have listed their farms and suburban properties with the Veterans' Land Act department feel that because they have listed them, they are, in fact sold; and they are naturally listed at a higher price than they expect to get. I think Mr. Murchison will agree with me that such properties are listed at a higher price than they expect to get. Those properties are really removed for the time being from the open market, because these farmers feel that, because they have listed the property with the department, it is sold; and when you try to deal with them as a civilian purchaser or as a purchaser who was not covered by the Veterans' Land Act, they refuse to listen to any offers. They say, "No. We have listed the property at \$6,000 with the department"; and if you offer them \$4,500, they say, "Oh, no. We are going to sell it to the Veterans' Land Act administration" where in fact they have not and probably will not, because Mr. Murchison has capable fellows there.

Mr. WRIGHT: You have no idea as to what the increases have been in the asking prices as between 1939-40 and 1945 for property adjacent to Ottawa, either farm land or small holdings?

Mr. RHODES: I should not like to mention that.

Mr. WRIGHT: I would think that as an organization of real estate dealers, you must have some idea.

Mr. RHODES: It is not that I am trying to evade your question; and as proof of that I will endeavour to get a proper idea of the increase in price and submit it. But I cannot answer the question now, sir, because it would only be a guess.

Colonel E. J. CLEARY: I could say something about that for Saskatchewan.

The CHAIRMAN: Perhaps that would be interesting.

Mr. WRIGHT: Yes. I should like the same question answered by the dealers in the various other sections of the dominion, if possible.

Colonel CLEARY: Mr. Chairman and gentlemen, as you know I am from Saskatchewan.

The CHAIRMAN: Would you give us your name again, for the benefit of those members who were not here on Friday?

Colonel CLEARY: Cleary is my name, I am from Regina. As far as we are concerned in Saskatchewan, small holdings do no count much for anything as far as Regina is concerned, and I think the same would apply to Saskatoon. There may be one or two small holdings have come up but the principal thing we deal with is farm land, and that is what this Act is supposed to be for. As

I understand it, this Act was originally passed for settling the veterans on the land. The question asked by this gentleman here, I have forgotten his name—

Mr. WRIGHT: My name is Wright.

Colonel CLEARY: With regard to the question asked by Mr. Wright, as far as Regina is concerned, in 1939 or 1940 heavy Regina clay was selling at an average of from \$30 to \$40. At the present time it is ranging—a lot depending on the buildings on it,—from \$40 to \$45. They are asking even up to \$55; there have been some sales actually at \$50, but very few. There have been quite a few sales at \$45 and from \$40 to \$45 but not very many. There have been quite a few sales at \$40 which in 1939 would probably have sold at \$30.

The CHAIRMAN: That is a rise of \$10 an acre.

Colonel CLEARY: About \$10 an acre.

Mr. WRIGHT: About 25 per cent.

Colonel CLEARY: About 25 per cent. It is based on wheat. At one time when wheat was \$2 a bushel, land sold at \$100 an acre; but it has not come up anything like that yet, and I do not think it ever will.

Mr. WRIGHT: You would say it bears a direct relationship to the price of wheat?

Colonel CLEARY: Yes. That is my opinion. As far as I am concerned, I came down here at my own expense to help the veterans. I am a veteran myself, as I told you the other day, and my one wish and hope is that I can help the veteran. I have been working with the veterans for the last 25 years. As I said before, I am a veteran of two wars myself, but not of this war. But I have these boys coming in to my office, possibly anything from 10 to 12 in a week. They will see some advertisement of mine in the papers with regard to a certain piece of land. They will come in, and I have got to tell them that I am very sorry, but according to the Act I am not allowed to help. Even some veterans I know, old veterans in the last war, will come in and will bring their sons in with them. They want to get on the land. I have got to tell them, "I am sorry, I cannot help you. I am not allowed to do so." It puts me on the spot. I have had numerous cases where I have given up land and let the veteran have it, where I have stepped out of it and lost my commission on land that I could have sold to a civilian? I told you the other day about where a veteran answered an advertisement of mine for a farm at Cupra. I did not know he was a veteran. He called me by long distance, and I gave him an opportunity for this land. He phoned in the next day that he was going to buy the land and was coming to see me. When he came in he was a veteran. He goes over to the veterans' board and he is told by them that he is not to go back to me and he did not come back. In a couple of days afterwards I heard from the owner saying that this boy wants to buy this land. I told them, "Give it to him. We will step out." Then the department did not buy, said it was not good enough, and it was bought by another farmer two sections away at the same price a week afterwards. But the main fault as far as we are concerned in Saskatchewan, is this. The majority of real estate men in these country towns, I think, could be of great assistance to Mr. Murchison's department. They know the land. They are in a certain village, say, and they know every acre of land in that district. If the veterans' department could make use of their services, they would find them of great assistance. Mr. Murchison contends that he can buy just as cheap from the vendor as a real estate man can buy. I do not agree with him there. The real estate man knows the farm; and I know in many cases where I have sold land, I have got the price on the section down \$2,500 from the price it was listed at originally, just by talking and saying, "Well, that land is not worth what you are asking and that is a pretty good price you have been offered" and eventually they have agreed. I submit that the real estate men could assist the government in getting land cheaper.

The CHAIRMAN: I find it rather hard to follow you in that, Colonel Cleary. If you are paid your commission by the vendor, and you hope to get business from the vendor, then how can you, in all honesty, try to work against his interest by getting him to sell his land for less than he wants to get for it? I do not follow you.

Colonel CLEARY: When we get a piece of land listed, we send out and we inspect that land. As a rule, the vendor naturally wants to get as much as he can for the land, particularly a farmer; and he has false ideas of the value of his land in a good many cases.

The CHAIRMAN: In other words, you get them to reduce it to the amount you think you can sell it for?

Colonel CLEARY: Yes, if we get a purchaser. We list the land at the price he says, and we advertise it at that price. A purchaser comes along and we show him the land. The purchaser probably knows the value of land too. It may be a farmer around the district. He will say, "Well, that land is not worth that." Suppose he is asking \$5 or \$3 an acre too much. If we think he is, then we go to the vendor and we try to talk him down, explaining to him that such and such a farmer sold for so and so, which is just as good as your land and we think you should come down here; and as a general rule he does.

The CHAIRMAN: Your commission in Saskatchewan on farm land is 5 per cent?

Colonel CLEARY: Yes.

The CHAIRMAN: I wonder if we could get some of this information from the other provinces in short order.

Mr. J. P. ROBERTS: I can speak with some knowledge of small holdings in the Vancouver area. Since my discharge I land back in rather a strange real estate world. I found that prices of houses in residential districts within the city area had jumped amazingly. From what I have seen of small holdings, I should say that the \$3,000 place around Vancouver would sell around \$3,500 to-day, the \$4,000 place perhaps around \$4,500,—about 15 to 25 per cent increase. I cannot speak authoritatively for farms.

The CHAIRMAN: I wonder what about Alberta?

Mr. KENNETT LYLE: Mr. Chairman, I am afraid I cannot give you any information, mainly because our office does not handle farm land. I am from Calgary. I think perhaps the figure of 25 per cent is pretty nearly correct, but I am merely guessing from hear-say. I am not in a position to tell you that, because we do not handle farm land.

Mr. ROSS: When do we adjourn, Mr. Chairman?

The CHAIRMAN: There are some things I wanted to try to finish to-day. There was just one other question. So that we may have it on the record, there has been a question asked as to what these gentlemen would like to throw out as a suggestion as to the possible maximum commission at which they would be satisfied to do business with the government on behalf of the veteran, in order that we might think about it. I take it, as I said before, that there is nobody here who feels that he has any right to make any suggestion in that regard. But I do suggest to them in all seriousness that the submission made by the Legion is something that cannot be passed over lightly, and if they want to be considered on this business they should present to us a very concrete proposition showing what they are willing to do the work for, indicating a desire to be of service, and the safeguards that they with their peculiar knowledge of their own business feel would adequately safeguard the veteran in the way provided by the Legion. As for myself I think—and I throw this suggestion out—that there will be no Legion conventions, and that they should in their respective spheres go into this

matter with the various Legion conventions and try to indicate to them that they can be of service, and in what way they can be of service; because I fancy that this committee would be very loath to go against the recommendation that has been established for so many years, and that is still upheld by the Legion. I believe that we should not change this unless we are sure we are making the situation better instead of worse. I thank the Legion for making the submission this morning and I thank the gentlemen here for coming forward and indicating their willingness to help in this great program. I suggest to the committee, and it is just a suggestion, that this is too important to deal with by order in council.

Some HON. MEMBERS: Hear, hear.

The CHAIRMAN: Mr. Wright wishes to say something. It is too important to deal with by order in council, I think, in view of the history of the thing. There has been a suggestion thrown out that you permit it in the case of small holdings but not with farms. Once you do it in one case it would be hard to draw any line between them if they are in the same Act. So, if we are going to deal with it by legislation, the members of the committee know the situation in that regard as well as I do, and it seems to me that that is the best we can hope to do this session. We have heard the representations, they will be studied and thought about, there will be a chance for the Legion to further consider the matter in the light of representations made. They may want to make various representations from various branches of the Legion and other returned soldiers' organizations, and if there is a field there where this great body can assist the department, why certainly they have the advanced chance of being permitted to do so by making this presentation to us. I suggest to the committee that while it may not be possible to get this bill through the House, that we actually embody it in a report to the House, and perhaps we may be able to get it through. In view of the attitude taken on the gratuity bill it may be possible to get these bills through.

Mr. Ross: Embodying what?

The CHAIRMAN: The Veterans' Land Act. We have gone over it now and have done everything with the exception of adopting the present form of sections 1 and 2. There is no change in principle.

Mr. Ross: You will not suggest embodying the amendment?

The CHAIRMAN: No, I do not think so. If we did that that would make it absolutely impossible to put it through this session, whereas if we recommend it as it is it might be possible to put it through. The suggestion is that we put the bill through as we passed it, and we recommend as regards this suggestion that it receive further study and that a further submission should be made.

Mr. BENTLEY: I do not know whether this is the right place to bring this matter up—before the bill is approved—but there is an amendment I will move, which has been concurred in by Mr. Cruickshank, and it is going to raise some discussion; it is not going to be passed over lightly.

The CHAIRMAN: It had to do with separating?

Mr. BENTLEY: No, it has nothing to do with the real estate people; it has to do with the terms of the loans.

The CHAIRMAN: I am very much in favour of the idea that there should be some admitted connection between what the veteran gets under this project, if it is possible to work it out, and his obligation, because in the way we have done it in the past the man who works hard and makes an extra effort does not get nearly as much consideration as the man who does not. That is the way it works out under the Soldier Settlement Act. If we could

work out some sort of a formula I think that would be very nice, but I believe that would be a matter for a separate submission that consideration be given to that matter.

Mr. BENTLEY: When can I make that submission? It should be done while the director is with the committee.

The CHAIRMAN: I think we should try to do that after we take up the post-discharge re-establishment order. It is a sort of general proposition.

Mr. BENTLEY: It will mean an amendment to this Act.

The CHAIRMAN: Oh, yes, but if we try to put it into this Act it will result in such an extensive—

Mr. BENTLEY: As long as I have your assurance that I can make the motion before this committee dissolves.

The CHAIRMAN: Yes, we will do that, because it is an important question.

Mr. WRIGHT: Mr. Chairman, we agreed unanimously on our submission of the first bill that we presented to the House, but I am afraid we cannot agree unanimously to this bill. At least, I cannot conscientiously agree to submit this bill in its present form to the House. There are certain things in it which I do not agree to, and certain amendments which I believe should be made. Of course, if the majority of this committee wish to pass this, that is up to them, but, certainly, it will not be unanimous.

The CHAIRMAN: I understand.

Mr. QUELCH: I think the stand taken by Mr. Bentley is a sound one. That provision has been embodied in the provincial Acts in Alberta and in Saskatchewan. Coming back to section 33, I would like to say that I endorse entirely what has been said by Mr. Ross, Mr. Wright and Mr. Cruickshank, and I do not think that the superintendent is being mulish at all; I think he is showing sound judgment, and I am glad to be able to say that because I do disagree with him occasionally. There is one other point. Mr. Rhodes made the point that the real estate agent acts as a negotiator between the vendor and the buyer. I think he should have said in order to obtain a higher price, possibly. That is generally the idea of the real estate agent; he is trying to get the highest price. In deals I have had with real estate agents I have always run into that competitive spirit behind the scenes. A certain price is mentioned, and then if a higher price is asked they say, "What will you pay; suggest a price?" I go back in a few days and I am told that another person will pay a little more than I am willing to pay. I am never quite sure in my mind whether the real estate agent is bidding against me or whether there is in reality another individual.

The CHAIRMAN: I thought we might be able to deal with the subcommittee's report on the matter brought up by Mr. Cruickshank, but I do not think we will have time to do it. I asked the services to be represented here. Perhaps we can meet some time in the afternoon this week. But could we approve of sections 1 and 2, which embody what we have agreed to in principle? It is a rewording, and the bill in its present form is ready to be reported, perhaps not by unanimous consent but, if you like, by a majority of the committee. Could we declare sections 1 and 2 carried? They have to do with the definition of veteran, the definition of minister, and the definition of western hemisphere. They have exactly the same effect as what we have passed already, but are worded more precisely.

(Agreed)

Mr. GUNN: Mr. Chairman, may I draw attention to section 35 which was dealt with at the last meeting of this committee? It is now clause 6 of the revised bill. I refer particularly to paragraph (b). I am not sure just where

the amendment came from, but it is something new, and it seems to me that there is a little room for improvement in the language in order to clarify what is meant. I certainly do not know exactly what is meant. The point that occurs to me is that we are doing something here which results in a legal absurdity; we are giving the minister the right to make an agreement with another minister of the same government, and I am not certain what is meant by it. I have drawn it to the attention of my good friend Colonel Chandler, and over the week-end he may have had some opportunity to study the matter.

Mr. HARRIS: Do you feel that we should not trust a minister to deal with another minister?

Mr. GUNN: It is not good business. I do not know what is meant.

The CHAIRMAN: It covers the point with regard to places like Banff where title cannot be given, and it is to provide for the terms on which help can be given to veterans settled on dominion lands to which title cannot be given.

Mr. GUNN: The land is in the name of the Crown. His Majesty owns the land in the right of Canada. I would think that, perhaps, section 7 of the Act as it now stands would take care of that situation—section 7 (b), page 518 of the reference manual.

The WITNESS: I do not think that really covers it, Mr. Chairman. The purpose of section 35 was to enable the director to make grants to a veteran up to \$2,320 under that particular section. Lands acquired under section 7 would doubtless come under the provisions of section 9 in their resale. We might acquire property from the Crown and carry out improvements on it and sell that land to the veteran. The purpose of section 35 all the way through is to make inconvertible the grant of the \$2,320 to the veteran with respect to provincial lands and Indian lands, and the purpose of this particular item we are discussing now is to apply that to a veteran who has become established on dominion land that is controlled by the Minister of Mines and Resources. That is the difference.

Mr. GUNN: As I understand this paragraph (b) of section 35, it would seem that the Minister of Veterans Affairs is going to enter into an agreement with the Minister of Mines and Resources whereby the minister will settle veterans. If that is the meaning, I think we can put it into appropriate language, and it is not in appropriate language now.

Mr. HARRIS: That is not the idea, as I understood it.

The CHAIRMAN: The idea is that the Minister of Mines and Resources can enter into an agreement and deal with the Minister of Veterans Affairs setting out the terms on which they will turn over dominion land in some of these parts and so on for settlement by veterans.

Mr. GUNN: The Minister of Mines and Resources does not need to be in there. From a legislative standpoint it is bad. That is the only reason I am on my feet, having some responsibility for the drafting of this legislation.

The CHAIRMAN: I am not so sure about that if you are providing the terms on which a person can get the grant of \$2,320, and you say that if they go onto Indian lands they can get this grant for certain purposes. The question arose as regards going into national parks. For example, take a small holding in Banff. Can they get this grant of \$2,320? Now, why it is not quite possible to put it into an agreement that if the Minister of Mines and Resources is willing to give a certain grant of land to be held for lease for ninety-nine years that thereupon the Minister of Veterans Affairs may settle people on that land and give them the grant? Otherwise, if you do not have it in the statute there would be no provision for giving the grant. That is my understanding of the purpose.

Mr. GUNN: It is rather a technical point. It simply means that one minister is given authority to deal with another minister now representing the same legal entity, and that is a legal absurdity.

Mr. MUTCH: As it is now, will it work?

Mr. QUELCH: Could not that be considered and brought back at the next meeting?

The CHAIRMAN: I would like to dispose of this. I am quite satisfied myself that it is necessary in order to give a veteran that grant if he wants to settle on land in the parks. That is my understanding. The ministers must make an agreement between themselves if they want to do that; and having done so what right is there in the Act to give the grant of \$2,320 to a veteran settled under that agreement? That is the purpose—to give the grant to a veteran settled under that agreement.

Mr. MUTCH: As long as it will do what the committee wants, the mere fact that it is a legal absurdity should not offend anybody very much. It is a well known tradition that the law is an ass. As long as it will do the job, why worry?

Mr. GUNN: I merely want to put myself on record in that respect.

The CHAIRMAN: There are many questions which we want to deal with before this committee rises. There is the important question brought up this morning. That is something I do not think we could deal with even in one meeting because I feel we should have some representations from statisticians on that question. However, I think we should go ahead and try to deal with the Re-establishment Credit Bill, if we can, at our next meeting, and at an early date deal with the subcommittee's report.

Now, is it the wish of the committee, subject to what has already been said, that we can embody this Veterans' Land Act, as we have revised it, without any new principles in it, and that we may recommend that to the House, not as a final solution of all these things, but as the result of our studies up to date?

Mr. BENTLEY: That would be an interim report?

The CHAIRMAN: Yes.

Mr. WRIGHT: I cannot see the object of presenting it to the House. We are not satisfied with the Act as it stands, and I do not see why we should present it to the House in that form. There certainly is a wide divergence of opinion, even on the part of the minister himself, with respect to the division of small holdings from the farm scheme—that is as to whether they should be separate—and I think we would be premature in presenting this to the House at this time. It certainly is not going to be dealt with at this session, so what is the object?

The CHAIRMAN: The object in presenting it is that there are some things we have provided for in this bill. If we report it to the House it gives the benefit to the House of what the results of our considerations are to date. There is the provision for settling people at Banff, if that meets with the approval of the committee and settling the Indians, and all the rest of it. That is in the Act. I cannot see that we lose anything by reporting the result of our deliberations. It might be that if things go through the House fast it might be possible to embody this new bill. This is only an interim report. This whole thing will come back to our committee again next session.

Mr. WRIGHT: That is the point: so long as we know that this is coming back and that we are going to be able to raise a discussion before this matter is finally settled. If we can do that I am not raising any strenuous objection to it being presented, otherwise I would.

The CHAIRMAN: I agree with Mr. Wright on that. This is not a final settling of Veterans' Land Act problems.

Mr. MUTCH: It is pretty clear finality at the present time is impossible. You are merely making an interim report.

The CHAIRMAN: Yes. Could we have a motion to make this as an interim report, as our fifth report?

(Agreed)

The CHAIRMAN: I think we should count on trying to deal with this sub-committee report at our next meeting—that has to do with discharge certificates.

The Committee adjourned to meet to-morrow morning, Tuesday, November 27, at 10.30 o'clock a.m.

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SESSION 1945

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 26

Tuesday, November 27, 1945

WITNESSES:

- Mr. W. S. Woods, Deputy Minister of Veterans Affairs;
- Mr. W. G. Gunn, Counsel, Department of Veterans Affairs;
- Colonel A. L. Tosland;
- Major-General E. L. M. Burns, D.S.O., O.B.E., M.C., Director-General of Rehabilitation, and
- Mr. H. W. Jamieson, Superintendent of Educational Services, Department of Veterans Affairs.



MINUTES OF PROCEEDINGS

TUESDAY, November 27, 1945.

The Special Committee on Veterans Affairs met at 10.30 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Adamson, Baker, Belzile, Bentley, Blair, Brooks, Bruce, Cleaver, Cockeram, Dion (*Lake St. John-Roberval*), Drope, Emmerson, Gauthier (*Portneuf*), Gillis, Green, Harkness, Herridge, Jutras, Langlois, Lennard, Mackenzie, MacNaught, McKay, Moore, Mutch, Pearkes, Quelch, Ross (*Souris*), Tremblay, Tucker, White (*Hastings-Peterborough*), Wright.

In attendance: Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mr. W. G. Gunn, Counsel, Department of Veterans Affairs; Col. A. L. Tosland; Major-General E. L. M. Burns, D.S.O., O.B.E., M.C., Director-General of Rehabilitation, and Mr. H. W. Jamieson, Superintendent of Educational Services, Department of Veterans Affairs.

The Committee proceeded to consideration of the report of the subcommittee appointed to consider the regulations governing discharge for misconduct.

Col. Tosland was called, read a letter setting forth the views of the armed services, was questioned thereon and retired.

On motion of Mr. Herridge, it was resolved that the question be deferred until the Committee has had an opportunity of hearing further representations from the Canadian Legion, the armed services and others concerned.

The Committee then proceeded to consideration of the draft of a proposed bill intitled *An Act to provide Rehabilitation Allowances for Veterans*.

Mr. Woods gave a review of the work done by his Department under the provisions of the Post-Discharge Re-establishment Order and was questioned thereon.

General Burns was called, heard regarding the Department's rehabilitation services, and questioned.

Mr. Jamieson was called and questioned.

Clause 8 of the draft bill was amended by deleting sub-clause (3) thereof and substituting therefor the following:—

(3) No allowance under this section shall be paid to a veteran who, having failed in one or more classes or subjects in any academic year, fails in more than one of the supplementary examinations offered by the university in any of such classes or subjects.

On motion of Mr. Mutch, it was unanimously resolved that, inasmuch as it may not be possible for the House to deal with the bill during the present session, the Committee recommend that the Government take action by Order in Council to amend similarly the Post-Discharge Re-establishment Order.

At 12.45 o'clock, p.m., the Committee adjourned until Thursday, November 29, at 4 o'clock, p.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

November 27, 1945.

The Special Committee on Veterans Affairs met this day at 10.30 o'clock a.m. The Chairman, Mr. W. A. Tucker presided.

The CHAIRMAN: Gentlemen, it always seems difficult to know what we should proceed with first. We wanted to take up the Post-Discharge Re-establishment Order and hear from the deputy minister and from General Burns as to what is being done in that regard. But as you are also aware, our subcommittee studied this question of discharges and made a report, and there is some suggestion that we should try to deal with that too. I asked Colonel Tosland to come this morning so that he could answer any questions on behalf of the services in regard to the recommendations of the subcommittee. I think perhaps we should let him make his representations and then leave it to the committee as to what extent we will endeavour to formulate a recommendation to the House or whether we will then go on with the Post-Discharge Re-establishment Order. I think we might as well hear from the colonel anyway. He has been waiting for two or three days.

Mr. MUTCH: Have we heard the report of the subcommittee?

The CHAIRMAN: Yes. It is on page XVII of the proceedings of November 9, number 16. The operative words of the recommendation of the subcommittee are as follows:—

Your subcommittee feels that it should logically follow that, as the worth of the member's service has been decided to be the predominating factor, no further disability in the way of obtaining employment and rehabilitation should follow on account of any entry on the discharge sheet, and so RECOMMENDS—THAT in all cases where the board of review has made an order granting gratuities, the discharge sheets shall be automatically referred back to the Service concerned for amendment of the cause of discharge to read:—"Free to take up civilian occupation."

That is the recommendation of this subcommittee. With your permission I will ask Colonel Tosland to come forward and present the recommendation of the services. It was embodied in a letter which I filed and which appears in the record of proceedings of last Friday which are not yet distributed.

You can present this letter, Colonel Tosland. That is not yet distributed to the members, so they have not got it yet.

LT.-COL. A. L. TOSLAND *called*:

The WITNESS: Gentlemen, this letter was sent to Mr. Burgess in reply to a letter to all deputy ministers, asking for comments of the services on the recommendations made by the subcommittee, and reads as follows:—

DEAR MR. BURGESS—With reference to your letter of the 13th November, 1945, and the attached copy of the report of the subcommittee of the Special Committee on Veterans Affairs appointed to consider regulations governing the discharge, for misconduct, of service personnel.

The board of review, under amendments to the War Service Grants Act now proposed by the Veterans Committee, would be empowered to order payment of gratuities to service personnel discharged for misconduct,

where circumstances so warrant. The subcommittee now recommend that, in those cases where the board orders payment of the gratuities, the discharge certificate should be automatically amended to disclose a new "stated cause of discharge".

This department has no objection to a board of review being empowered to order payment of gratuities whenever circumstances warrant, irrespective of subsequent nature of discharge. Likewise, this department has no objection to such service personnel securing the benefits under the other rehabilitation measures.

It is the considered opinion, however, that it should not be mandatory for the service to alter the discharge certificate in cases referred by the board of review, but rather that the service concerned should retain a discretionary power to determine the stated cause of discharge to appear on all discharge certificates.

For example, in the case of incorrigibles who have been of little or no use to the service during the war, it is considered that, while sympathy must indeed be shown in all "post-hostilities reviews", the position of these personnel on discharge must be kept in the proper relation to that of personnel who have rendered long and good service.

In short, while this department can see no serious objection to the rehabilitation principle being invoked in the application of post discharge benefits, it desires to emphasize the need of protecting the position of all servicemen who have rendered good and valuable service in the war.

Yours very truly,

A. ROSS,
Deputy Minister (Army).

By the Chairman:

Q. That represents the view of all the defence departments, does it not?
—A. Yes. It was considered by the personnel members of the three services at a committee meeting, and this letter was drafted as a result of their deliberations.

By Hon. Mr. Mackenzie:

Q. In other words, your recommendation—if I am correct—is that whatever the conditions were, they will not debar the ex-service man from rehabilitation benefits, but they will not alter the decision of the defence service in regard to conditions of discharge.—A. Will not necessarily alter the decision.

Q. Yes, will not necessarily alter the decision.—A. Yes.

Mr. MUTCH: I think we should acknowledge that it is very decent of the services to approve of our doing what we have already done.

Hon. Mr. MACKENZIE: Yes. Personally, I am in accordance with the suggestion made there.

Mr. BENTLEY: We need a new definition in the Act to define the word "incorrigibles". Who is going to decide who is incorrigible and who is not?

Mr. BROOKS: Oh, that has nothing to do with this.

Mr. MUTCH: I am sorry if my sarcasm was lost.

Mr. HERRIDGE: I think I am correct in stating the services had no serious objection.

The CHAIRMAN: I should draw to your attention that this is dated November 21. This letter was written and put in the record last Friday.

Mr. MUTCH: It is still typically brass hat.

Mr. CROLL: Now, now.

The CHAIRMAN: Are there any questions to be asked of Colonel Tosland?

By Mr. Croll:

Q. Colonel Tosland, having regard to the original purpose, what we had in mind when we asked that the certificate be changed was in order not to damn a man by his own certificate in his future attempt to obtain employment.—
A. Yes.

Q. That was our purpose. This does not meet our purpose, as you can see. You may not have known what our purpose was, but this does not meet our purpose. Does it in your opinion?—A. I was asked to explain, by the Adjutant General, that this was not intended in any way to convey any vindictive feeling on the part of the services, but rather that the services are responsible to the public for recommending certain soldiers; and if the board of review sees fit to grant a man his war service gratuity and various other benefits, it still does not alter the fact that his service record was not satisfactory, and it is felt that the service should be permitted to state the fact on the man's discharge certificate.

Mr. CROLL: What strikes me here is the last part of that statement in which you say, "...it desires to emphasize the need of protecting the position of all service men who have rendered good and valuable service in the war." It strikes me that you are rather approaching it from the point of view that there are two views with the service men. My own view is that the service man who has a good conduct sheet—and they are in the great majority—has not any objection at all to the service man who has not a good conduct sheet receiving one if, in the opinion of authority, he is entitled to it. Mind you, giving him the benefits of the Act is something; but they are infinitesimal as compared with having his discharge certificate damn him, because he has to live with that for the rest of his days and he has to receive employment with it. I think that the department, in attempting to protect the service man who has had a good conduct sheet, is setting him up against the service man who has not. I think that they misread his views on that matter. I think they ought to reconsider it.

Mr. QUELCH: Mr. Chairman, it does seem to me—

The CHAIRMAN: Just a minute, please. I think Mr. Cleaver was up first.

Mr. CLEAVER: Mr. Chairman, my view on the subject is, briefly, this. In regard to the discharge certificates of men who have been guilty of misconduct, some one must exercise discretion and it does seem to me that this committee must choose one of two courses. Should we say that discretionary power is to be exercised by an independent board such as the board of review, or are we to agree with the letter which has just been read that this discretionary power is to be exercised by officers in the services? My own view is this, that perhaps the officers in the services may not take the same impartial viewpoint in exercising their discretion as an entirely independent board such as the board of review would take. That was the only point where we are at variance. It is only natural that the senior officers in the services would want to retain that discretionary right; but the point we have to consider is this: will they exercise that discretionary power in the same impartial manner as an independent board would exercise it?

Mr. QUELCH: Mr. Chairman, I take great exception to this letter. In the first place, I think it expresses complete lack of confidence in the board of review, because in the concluding paragraph, which has already been read but which I will read again, it states: "...it desires to emphasize the need of protecting the position of all servicemen who have rendered good and valuable service in the war." In what cases are the army going to be asked to rewrite the discharge certificate? Only in those cases where a man has rendered good service to the country. Those are the only cases they will be asked to deal

with in that way. In other words, apparently the army are not satisfied that the board of review will allow the benefits only in the cases where the soldier has given good service. They are apparently afraid that they are going to give the benefits in cases where he has not given good service. As a member of the subcommittee, may I refer to what we did when we considered this question. I have not a copy with me, but you will note that we state there, "where service outweighs". In other words, we are only suggesting this shall be done when a soldier has given good service and where we consider that service is of such a good character that it outweighs the crime committed by that man. It seems to me that the last paragraph is absolutely irrelevant and does not at all deal with the situation that is before the committee.

Mr. MUTCH: Mr. Chairman—

The CHAIRMAN: I believe Mr. Pearkes was up first.

Mr. PEARKES: I was just going to say that I feel that letter over-emphasizes, shall I say, the doubt which may exist in the minds of employers as to the service rendered by the soldier. Most employers and most civilians feel that anybody who has worn the King's uniform has given good service, and I do not believe that one has to protect the record of those who have given good service. I feel, as I expressed a moment ago, that the decision should be left with the board rather than with the representatives of the services.

Mr. MUTCH: In rising, Mr. Chairman, I think we are partially overlooking one factor in the discussion so far, and that is that whereas the discharge certificate has been in the past a record of service which a man might proudly display or conveniently lose without any inconvenience to anybody else, today in Canada under conditions as they obtain, and as they are likely to obtain for the veteran, a discharge certificate is a licence to work. That is what it amounts to. A discharge certificate is a licence to work. Without it it is difficult to obtain work, and under more difficult circumstances should they arise it would be practically impossible. I think that should be the main thought in the mind of the committee. I do not suppose these discharge certificates, as they are issued, have changed in the recollection of the oldest person in any of the services. It is one thing to have an honourable discharge to frame and put over the mantle if you can afford a mantle, but I think that aspect is gone. It has become literally the key to a job. Unfortunately I was not here when the report of the committee came in, but I note they have suggested the use of a set phrase, "free to take up civilian occupation."

Mr. QUELCH: That is taken out of K.R.O.

Mr. MUTCH: It is not the phrase which is ordinarily used in so far as I know in discharge from the service at this time. I do not like the idea of coining or even borrowing what I suspect to be an obsolete phrase because I know the situation well enough that when a new discharge sheet bobs up, and nobody has ever seen it before, it will not be very long until people begin to look behind even that. If you are going to give a man a clear discharge it should be given to him in the same terms as anybody else who gets a clear discharge. I agree wholly with the view put by Mr. Quelch, and if this board does grant a man his gratuity, which the minister has said, and the Prime Minister, too, is the expression of a grateful nation for services, then I resent the idea that the service or anybody else who may have mental reservations can have public reservations expressed in the discharge certificate that after all this man is only being made the recipient of the public gratitude by courtesy or by some extenuating circumstances. He either has it or has not. You either give it to him or you do not give him anything.

Hon. Mr. MACKENZIE: I am afraid I am getting old-fashioned, but I have serious doubts in my mind in regard to some of the points put forward. I think

we are dealing with two things. One is causes; the other is effects. This committee is primarily concerned with effects and benefits. It is our main purpose and jurisdiction to safeguard as far as we possibly can the protection of the ex-serviceman with regard to benefits. I do suggest this, especially to General Pearkes who is a very distinguished soldier, that if this committee, concerned with the future of the man going back to civil life, is going to try to change the influences that led the service to making a certain decision I think we are going beyond our jurisdiction. I think what we should do, regardless of what was placed on that certificate, is to protect the man in his future life as far as we can. I am not sure if I have made my position clear in the matter. It is purely a personal position. If you are going to interfere with the discipline of the services you are going pretty far. What we want to do is to help men after discharge in civil life as far as we possibly can.

Mr. QUELCH: Is that not the very point?

Hon. Mr. MACKENZIE: Are you not going too far if you are going to have a board of review to compel very distinguished citizens in the services to alter a record in regard to discharge? Are you not going far enough if you insist on all benefits being available to a man regardless?

Mr. MUTCH: That denies it to him.

Mr. CROLL: Mr. Minister, you must agree that the big benefit is not the money we give him. It is far outweighed by his right to make a living?

Hon. Mr. MACKENZIE: We can insist upon his rights, but are we going to have a board of review under the Department of Veterans Affairs to over-ride the rights of the army, navy or air force in regard to any conclusion they may have arrived at? We can amend the results of their discharge in regard to benefits but can we alter, change or delete their considered conclusions?

Mr. CROLL: Originally they start without benefit. By some laws which we pass here we give them certain monetary benefits. We have altered it; we have changed it. We have changed what the services have done to that extent. Now we go one step further. We say that is not sufficient in itself. That may aid him for the moment and may carry him through for the time being. We are all agreed on that, but we say that since you have gone that far you have laid the ground for going one step further, and it does not cost you anything at all. It may be that the services have made a mistake and so we ask you to give him an opportunity to go out into the field and obtain work with a clear record since we have already paid him money. Is that not the more important aspect of the two?

Mr. ROSS: I am not sure that the minister is not right in his remarks. For instance, if your discharge certificate is going to mean what a couple of the previous speakers have just said...

Mr. MUTCH: A licence to work.

Mr. ROSS: If I were employing these people—I want to be very fair about this—knowing the way they obtained that certificate irrespective of anything else it would not mean much to me in the future. I think we have got to be very careful about this.

Mr. MUTCH: That is why I oppose a special citation. I think it should be a straight discharge.

Mr. ROSS: I am one of those who, with General Pearkes, want to be sure that our boys are not deprived of any of these benefits. We want to be sure from our point of view that these chaps, having had their sentence in the army, should not be deprived of benefits through any action of ours from now on. On the other hand, I think we have also got to protect the great majority of our service men because hitherto that discharge certificate has meant an

awful lot, too. I am placing myself in the position of the employer. So far I have placed a great deal of reliance on the remarks on that discharge certificate. I mean if we get careless about it—and my sympathies are with the boys who have been in these difficulties, and there is an outstanding case of some sort where he is going to receive exactly the same certificate everyone else is then I am afraid we are going to jeopardize all these chaps and the discharge certificate will not mean what you people had hoped it would in the matter of employment. I know that is what I would think as an employer myself. I think we should be pretty careful about this. I am most keen that everyone of these chaps should get every benefit under this Act irrespective of their difficulties in the service. I quite agree with those people who say that they have got to protect the services, and from that point on if we can take care of it I think we have also got to protect the great majority of those with good service and see that the discharge certificate really does mean something when they are going out to look for employment.

Hon. Mr. MACKENZIE: I wonder if I could say one other word and then I am through. This is a very important question. Perhaps we could leave it over until February. In the meantime we might have discussions with the defence services and the Canadian Legion and then amongst ourselves afterwards come to a final conclusion in regard to it. There is no immediate urgency in it for the next two months. That is only a suggestion, but I think that we might go ahead with the rehabilitation allowances you have got before you. We will talk this thing over amongst ourselves and see the pros and cons. I admit there are two sides to it. We might call in the heads of the veterans organizations between now and February when we meet again, and then we will come to a conclusion on it.

Mr. MUTCH: I am not going to urge this thing any further, but with respect to the urgency of it I would like to say that in my absence last week I came across one case where one of these unfortunate discharge certificates resulted in (a) a civil servant losing his job; (b) losing his wife, and (c) he is unemployed and unable to find any work as a result of it. For some of them it is very urgent.

The CHAIRMAN: Gentlemen, there are certain things we have got to consider in this matter. It is very far reaching. The re-establishment benefits, the benefits under the Veterans' Land Act, depend upon a man having an honourable discharge. We have got to decide, amongst other things, whether we will give these benefits to everybody, no matter whether they have got the most dishonourable discharge possible or whether we will introduce the same principle into these Acts that we have introduced into the Gratuities Act and let it rest upon the opinion of a board of review whether their services are such as to outweigh their difficulties in the service. That is one of the things we will have to consider. As the minister says it might be very helpful for us to have the opinion of the veterans' organizations on that most important matter as to just how far we should go. There is one other thought that occurs to me and that is this. Most of us served in the army, and the only thing we actually carried out of it—most of us did not carry a decoration out of it—was an honourable discharge for our services.

Mr. MUTCH: Do you know where it is?

The CHAIRMAN: Yes, I have got it and I treasure it very much. That was the only proof we had served decently and honourably. Everybody could not get a decoration and that was the one thing they had. The moment you take that away from the soldier and make it appear that it does not mean a thing then I can easily see that a lot of soldiers will feel that they did not get any recognition of good service at all.

However, I can also see this other question about the difficulty of a man getting work. Those are two conflicting principles. It is the same old story. A lawyer is up against it continuously. When somebody is caught on a heinous offence and has been found guilty then the question of his family and wife and his future comes into the matter. Then the question is which is going to prevail, consideration for the family and the individual or the best interests of society. That is what we will have to consider in connection with this question, too.

Mr. QUELCH: There is a point there. If the board or review decide that a man should get the gratuity and re-establishment credit would he not automatically qualify for the other benefits?

The CHAIRMAN: No.

Mr. QUELCH: Only in regard to the one.

The CHAIRMAN: Yes. That is why I mentioned it this morning so that the members would give very careful consideration to it. For example, Veterans' Land Act benefits only to a man who has an honourable discharge, and these other benefits go to a man who has an honourable discharge. The question we have got to consider is are we going to take that out of all our Acts or are we going to introduce some such principle as we did in regard to gratuities and re-establishment credits? As the minister says I think we could certainly do with the advice of the veterans' organizations in the matter.

Mr. MUTCH: Do you think it feasible that a man who has dishonourable discharge may be quite respectable from the standpoint of getting a war service gratuity but quite unfit to attend cows on a farm? There has to be some consistency.

Mr. BAKER: This committee deals with veterans' affairs. The discharge certificate has to do with the Department of National Defence. I think once again we are getting things a bit at cross-purposes. We did it once before and finally got it straightened out. If injustice have been wrought, and if the thing should be studied as regards a man's discharge certificate as to whether it should be changed from a dishonourable to an honourable discharge it would seem to me that would not be done by this committee.

Hon. Mr. MACKENZIE: Hear, hear.

Mr. BAKER: This committee can make recommendations on matters concerning veterans. I think this idea of contacting the Legion and various other veterans' bodies is an excellent idea, but once we have come to our decision in this committee it seems to me it is the job of some committee which is dealing directly with the Department of National Defence. I think we are taking a very long step if we try to run the Department of National Defence directly from this committee. I may not be correct in my assumption but having been an army man I think I am right.

Mr. MUTCH: Mr. Chairman, there is no doubt in anybody's mind about that. We refused to incorporate these recommendations in the bill because it was outside of our province, but the suggestion came from the minister himself that if this committee wished to make recommendations to parliament with a view to having parliament speak to the Department of National Defence we were clearly within our rights in doing so. That was the reason this subcommittee was set up. We have all had service, and I do not think anyone here would say that we can walk into the Department of National Defence and dictate to them. We did not do so well when we did that when we were connected with it.

Mr. McKAY: If we are to let the subject go over until a later date I wonder if we could have some information to think about during that lapse of time. I may have missed it but I should like to know how many dishonourable discharges there have been in each of the three services.

The CHAIRMAN: That is in the record.

Mr. McKAY: Is there also reference made to the number that have been reconsidered by the board of review?

Hon. Mr. MACKENZIE: That is in the record.

Mr. McKAY: What are those figures offhand?

Mr. CROLL: About 4,000 on the one and 400 on the other.

The CHAIRMAN: Of course, it must be remembered that the board of review will be considering all of those they may have thought of turning down in the light of the observations of this committee and the Act that has just gone through our House.

Mr. MUTCH: There is just one point. Do they have to reapply? Will those who were turned down before come up automatically? Under the Act as passed yesterday do they have to reapply or will reconsideration be automatic?

The CHAIRMAN: I think it will be governed in the regulations. There will have to be new regulations. There will have to be a new board appointed as soon as the Act goes through. Then, of course, the regulations will be put through and approved by order in council.

Hon. Mr. MACKENZIE: A recommendation from this committee will be quite in order in regard to the point you have raised.

Mr. GILLIS: I think we are forgetting we have already set up two boards. It was reported to this committee that a board was set up directly under National Defence to examine into all court-martials. In my opinion that is the board which is going to determine whether a discharge certificate will be changed or not.

The CHAIRMAN: It just determines the length of sentence.

Mr. GILLIS: Possibly if he wants to recommend that the discharge should be changed if there was an injustice done then it is within the authority of that board. On the other hand, the discussion this morning, in my opinion, shows very little confidence in the board of review to examine any rights to gratuity. I do not anticipate for a moment that the Topp board will grant the gratuity to any service personnel of the calibre described by the gentlemen at the end of the table. I think that any changes that the Topp board will make will be in the interests of service personnel where a grave injustice has been done. If the Topp board recommends that the gratuity should be paid in my opinion there is no evidence on that man's file that would justify the changing of the discharge certificate. As I understand the mechanics we have set up here where a gratuity is in dispute it goes to the Topp board. If that board finds that the man should be paid the gratuity, that his sentence was unreasonable, that the evidence did not justify it, they can recommend that the gratuity be paid but I think what happens then is that particular case goes to the board of review set up to examine into court-martial proceedings.

Mr. CROLL: No.

Mr. GILLIS: What are we setting this machinery up for? It just does not mean anything.

The CHAIRMAN: I might explain the purpose of the committee, as I understood it. You are suggesting that this board of review can look into it and find that the sentence was unjust, but the board of review might find that the sentence was quite just, that he did not get a thing more than was coming to him but his service was of such a nature that his service to the country outweighed his misconduct and that having in mind the purpose of the Act to grant gratuities to people who gave service that he should get it in spite of his misconduct.

Mr. GILLIS: He would not get it. I do not think for a moment that machinery is going to work. I think if the sentence imposed by the military authorities is justified according to the evidence on his file he will not get the gratuity.

The CHAIRMAN: He is getting it.

Mr. GILLIS: He is not getting it.

The CHAIRMAN: They have reviewed about 400 cases and granted it.

Mr. GILLIS: He is not getting it in all cases. He is not entitled to it. In the cases that I have seen where they rejected it I was in agreement that it should be rejected. I have all confidence in the Topp board. All of this quibbling is merely an indication that we do not think very much of it, that it is a kind of sob-sister board that is going to throw things wide open without any regard to their responsibilities.

Personally I am not prepared to leave the final decision in the hands of National Defence. In the great majority of cases where there is a tangle National Defence is responsible, or some of their officers along the line. It is not a court of appeal if you are going to allow the people who decided the matter in the first place to have the final say. There is no appeal there. The natural and logical thing to happen if National Defence has made a decision on a discharge is to stick to it. There is no appeal. I am quite satisfied with the machinery that is set up. The Topp board reviews it. If they decide a certain portion of the gratuity is coming to that man then they pay it. If it is all coming to him it should be paid but on the other hand if they feel that the sentence imposed by National Defence is harsh and unjust and not based on proper evidence then I think that the function of the Topp board is to pass that matter along to the board of review that we have set up to review court-martial proceedings as related to misconduct discharges.

That is all the machinery we need. Then I think if the board of Brigadier So-and-so—I do not remember his name—examines the evidence probing into whether the misconduct discharge was warranted or not and he thinks it should be changed then it is his job to get in touch with National Defence, talk the matter over and have the thing changed, but I am not prepared at the moment to restrict the latitude that this committee gave the Topp board. We are right back where we started on this argument. I thought we had settled it. We passed a bill in the House only yesterday dealing with this whole question of misconduct. I was quite satisfied with the bill because I thought the machinery that we had set up was the machinery that was going to determine the gratuity, discharge, and so forth.

Mr. BROOKS: Mr. Chairman, I think Mr. Gillis is confusing these two boards. As I understand it, the board that reviews court martials is for one particular offence for which the man has been court-martialled, and the understanding of the other board is that when another man who may have had two or three years of good service commits an offence and is then court-martialled or receives some punishment for it that board has to review the complete service of that man, and if he has had two years good service and unfortunately has committed an offence they must decide whether he is not entitled to his gratuity in any event. As far as the discharge certificate is concerned I do not see how that can be very well taken away from the services. Just what recommendation should be made to them is a question in my mind. I agree with the minister that we ought to hear the Legion and services to find out what their reaction is.

The WITNESS: I should like to mention, Mr. Chairman, and gentlemen, that the A.G. asked me to say that all recommendations made by the board that the service should review the reason for discharge and possibly alter the discharge certificate would receive very sympathetic consideration.

Hon. Mr. MACKENZIE: Hear, hear.

The WITNESS: So that I can quite easily conceive that if the board pointed out where they thought an injustice had been done to a man the service would undoubtedly try to correct that injustice. I do not think it can be said at any time that any of the services have ever tried to perpetuate an injustice anywhere.

Mr. QUELCH: On a point of order, Mr. Chairman. Is it right that the board has been asked to recommend a change in the discharge certificate? I thought it was only in relation to the gratuity and the re-establishment credit.

The CHAIRMAN: Brigadier Topp said that where they had gone into the matter and thought that the man had not got all the consideration that he should have got, they had felt free to draw it to the attention of the service.

Mr. QUELCH: That should be recognized as part of the duties in the future.

The CHAIRMAN: I think you will find that the board is functioning satisfactorily—we have only set it up to deal with the question of gratuities and re-establishment credits—we might decide to ask that a similar ruling in regard to that should be given entitling people to the benefits of the other Acts. We might decide that. But with regard to the last suggestion I may say that we set this board up only to decide whether a man got his gratuity or not in spite of having a discharge for misconduct. It does not affect any other rights under the legislation, and the purpose of this suggestion was to see if we could not find some way of enabling a man with a discharge for misconduct not to have to show that when he tries to get a job, so as not to spoil his chance of getting a job—even though it was a just finding. However, the question is how long are we going to have that hanging around a man's neck? He might have erred in the service and might have a just finding against him, and he might admit that it is just, and the only thing that he has got there in regard to the service is something that offers him—

Mr. MUTCH: We do not make a man who has been in jail carry his certificate.

The CHAIRMAN: That is the point. All members of the committee are trying to weigh these two propositions and suggest a good solution.

Mr. QUELCH: May I say a word in reply to Mr. Ross? He said that if the recommendation of the subcommittee were carried out a discharge certificate would not mean very much to an employer. On the other hand, I think it would mean more than it does to-day for this reason: if the recommendation were carried out it would be recognized across the country that any discharge certificate, reading as suggested by the subcommittee, meant that a man had been discharged on account of misconduct, but upon that man's record being reviewed the board considered that he had given such meritorious service to the country that it outweighed the crime, and it will soon be recognized. That will be the other side of it.

The CHAIRMAN: Is it satisfactory to the committee, having had this discussion, to leave it as it is without a recommendation to parliament for this session?

Mr. BLAIR: Could the certificate not be left blank in these cases; give the man a chance?

The CHAIRMAN: There is no suggestion—

Mr. QUELCH: There would be just as much objection from the army; they do not want to be ordered to change the certificates.

Mr. BLAIR: I suggest that the certificate should be left blank in these cases.

Mr. MUTCH: You might as well put a number on it.

Mr. WRIGHT: Mr. Chairman, there are misconduct discharges given for offences in the army which would not be offences in civil life and which would not be considered as serious offences in civil life. It seems to me too bad that a man granted a discharge for misconduct for those reasons should, throughout

his life, be asked to produce his certificate everywhere he goes to prove he was discharged for misconduct. I believe there should be a review of a lot of these cases, and I think there should be a board to deal with them. Whether it should be the Topp board or whether it should be a board of the services themselves is a moot point, and I think it is a point that should be given serious consideration. However, I do feel that we are asking a lot when we are asking these men convicted of certain offences in the army to go through life producing a certificate which shows they were given their discharge for misconduct.

Mr. MUTCH: It would not hurt so much if they showed what the misconduct was.

Mr. WRIGHT: Yes, if misconduct were qualified it might make a difference. Misconduct might mean simply getting drunk a few times or it might mean committing a murder. It might mean such a lot of things that it would depend upon the employer as to what his interpretation of misconduct would be—much would depend upon whether he had been in the army himself and realized some of the army conditions. I really think we should give some serious consideration in regard to some of these misconduct discharges. After the last war it did not matter so much if one did get a discharge for misconduct because we never had to produce a certificate or anything else; but we are living in a different world to-day, and we are likely to continue to live in that world. We have selective service and we have unemployment insurance and we have to produce certain evidence practically every time we turn around in Canada to-day, and we are likely to have to produce it in the future. We should take that into consideration when we are dealing with this matter.

Mr. PEARKES: There is a board of review looking over the court-martial sentences. Now, in some respects a dishonourable discharge is even more of a handicap to a discharged soldier than a court-martial sentence. We cannot leave blank the reason for discharge because a discharge certificate will have already been given to the soldier for the review of the board dealing with the credits. Would it not be in order to have that certificate of the soldier who has been discharged dishonourably but who has been granted the gratuity by the board reviewed by, shall we say, a court-martial board in order to see whether that reason for discharge should not be modified?

Mr. MUTCH: Could we not leave that to the A.G.?

Mr. PEARKES: If the soldier had received his gratuities he could have his discharge certificate noted, and if it is written dishonourable discharge that could be blotted out, and they need not say that he is honourably discharged.

Mr. QUELCH: I cannot understand what the army would base their position upon. A case would be referred to the board of review and they might decide a man should receive his re-establishment credit and gratuity. They recommend that the discharge certificate be referred back to the army and the army might take the stand that his discharge certificate should not be altered. Someone may say, "What right had the board of review to award that man a gratuity," and the army says he should not be given a discharge for any other reason.

Mr. MUTCH: The army might, quite conscientiously, for the protection of the service and for the protection of those honourably discharged, say that they thought there should be some discrimination. There is room here for an honest difference of opinion.

Mr. QUELCH: If it is agreed that the army will in certain cases change those certificates then when they refuse to do so, after the board of review has recommended that they should, it seems to me you would have a conflict arising between the two boards.

The CHAIRMAN: That indicates how difficult and complicated this thing is. I think it would take quite a while for this committee to deal with this matter satisfactorily, and I think we have discussed it enough, I suggest, for all of us can see the problems involved. It would be very fine to do something very definite about it now, because, as Mr. Wright says, we are living in a different world now than that in which we lived during the last one hundred years, and honourable discharges are more important now than they have been for a long time. It is of importance to the army in regard to its future discipline and so on, but it is also of importance from the standpoint of society and the man himself. Times change and very likely this committee might want to make some definite recommendation to parliament with regard to the Department of National Defence and the form in which they discharge a man. I have often wondered if we have any right to take a man into the army for two years and then discharge him; what right have we got to send him forth with a brand on him.

Mr. MUTCH: We do not do that with civilian criminals.

The CHAIRMAN: It may be that we might so recommend that all they have a right to do is to give a man a certificate that he has been discharged from the army and leave it at that.

Mr. BLAIR: Quite.

The CHAIRMAN: It may be that we will decide on that. These are things, it seems to me, that we can only decide after a great deal of consideration.

Mr. MUTCH: I think if we leave it and if we wait until about next March we would have an excellent discharge plan for the next war, unless you are going to call back about 4,000 of them.

The CHAIRMAN: What does the committee think about this?

Mr. HERRIDGE: In view of the discussion I move that this matter be tabled until the next session for special consideration and the calling of witnesses.

(Agreed)

The CHAIRMAN: Well, we will pass now to the post-discharge re-establishment question. We will hear from the deputy minister first.

Mr. WOODS: Mr. Chairman and gentlemen, this post-discharge re-establishment order was the first rehabilitation measure that was passed, with the exception of the order in council that provided for compulsory reinstatement, which preceded the Reinstatement in Civil Employment Act. This was the first measure that conferred benefits on discharged men. It has been operated as an order in council for four years. I think it has justified its enactment as an order in council from the fact that it has been amended approximately twenty times in the light of experience. The rates have been increased from \$9 to \$13, to \$20, to \$40, and from that to \$50 a month for different work benefits for the individual and now it is \$60 a month for training benefits. Had it been enacted as an Act of parliament in the first instance, and the benefits set by statute, we would not have been able to amend it so quickly extending to the veterans the things that have taken place in the order since it was enacted. It was enacted in July, 1941, with effect October 1, 1941. It may be regarded as the corner-stone of the rehabilitation program. Since its enactment 71,250 veterans have benefited and they have expended under the order up to the present time \$7,500,000. Under this order over 15,000 have taken vocational training; 5,626, up until the last returns, have been receiving university training benefits. I want to mention at that point that although our last returns show 5,626 in receipt of university training benefits, actually there were over 15,000 enrolled in universities, but not all of those have yet commenced their studies. There have been benefits payable to those temporarily incapacitated to the

number of 3,517. Over 2,500 veterans have received benefits as awaiting returns from other business enterprises, which includes farming. Over 9,000 have received out-of-work benefits, and the order also permits us to pay premiums for those who on discharge go into insurable employment after they have been in insurable employment for thirteen weeks. The order permits us to give them credit for the time they spend in the services actually as if they had been engaged in munitions work instead of in the forces. We have paid those benefits to the Department of Labour, unemployment insurance premiums, both the veterans' and the employers' contributions, to the number of over 35,000 veterans. The rates for vocational and university training are \$60 per month for a single man and \$80 per month for a man and wife plus allowances for children similar to the allowances they received while they were in the services; that is to say, \$12 each for the first and second child and \$10 for the third and \$8 for each subsequent child. In addition to this, tuition fees and athletic fees are also paid. That applies to vocational training and university training.

In the case of unemployment, out-of-work benefits, benefits to those temporarily incapacitated, and those awaiting returns, the rates are \$50 a month for a single person, \$70 a month for man and wife, plus allowances for children as I mentioned before.

Then, as I mentioned, Mr. Chairman, in addition to those allowances, those with families are also entitled to draw family allowances without having any effect on the allowances that we pay.

One or two members, during the sittings of this committee, have approached me with respect to delays in payments of university training benefits. I want to explain that here. That was due to the tremendous increase in the number of discharges from the forces. I should like to point out that in the month of May there were 11,203 discharges from the three services; in June there were 16,329; in July there were 22,139; in August there were 35,243; in September there were 70,146—which is just double the number that were discharged in August—in October there were 89,351. I suggest to you, sir, that with a tremendous increase in the rate of discharge any kind of organization would be bound to feel the strain and there would be some delay. I am pleased to say that inquiries from all our districts now reveal that they are pretty well on top of the load and have pretty well caught up with the backlog. If any member has any illustration about standing delays after this I would be glad if he would bring it to our attention.

I referred to the rapid increase in the number of discharges as one of the reasons for the backlog and the resultant delays which took place. Another reason is that we are, like practically every individual in the institution, cramped for administrative space. It is very hard to get space. We are getting it by degrees, but in quite a number of points we have been very cramped. Another reason is that we have had to train a new staff. We have had to increase our organization tremendously to meet the demobilization load. The question may arise in the minds of some members: Why didn't you increase it before? Why didn't you have it built up when the war ended? The answer to that, Mr. Chairman, is that it was only in the month of July that we had access to the force from which to select our men. We thought it would be most unfair to make all our appointments from men who had already been returned to Canada or had already been discharged and ignore half a million Canadians who were left overseas. To fill our organization up to the detriment of those who have been doing the actual fighting would have been rank injustice. It was for that reason that after V-E Day we went overseas with the Civil Service Commission and we held a competition in London for the British Isles and in Apeldoorn in Holland for the men who were stationed there. This was the first opportunity we had, the first access we had to the men who had actually done the fighting.

As a result of that competition we selected some very fine types of young men. Our organization or our department badly needs the dilution of the younger men. What is more, we feel that this is their war; they won it and they are entitled to a share in the administration.

During that trip overseas we secured administrative officers for important positions such as our district administrator in Vancouver, the district administrator in Edmonton, in Saskatoon, in London, in Hamilton, in Kingston, in Montreal and in Prince Edward Island. Those are the men that we went overseas to get. We were not able to reach them and hold a competition until the month of July, and we were not able to get them out of the services until the month of August; because of that situation you can understand that we were still building up an organization at the time the deluge came. I believe we have largely overcome the difficulty now.

Some question may arise, Mr. Chairman, as to the adequacy of these training allowances. They have been increased on a number of occasions. They may have to be increased again. We have set up a university training advisory committee comprising the principals or presidents of half a dozen of the largest universities, together with a number of administrative officers. That committee met last week and they recommended that the question of increasing the rates be deferred until the next meeting of the committee when the universities represented will bring to us statistical data that will either support an increase or will demonstrate that one is not necessary.

Mr. GREEN: When is the next meeting of that committee?

Mr. WOODS: The next meeting is at the call of the Chair. It will probably be in a couple of months' time. The date has not been set yet. In the meantime, this committee did recommend that we increase the exemption that an individual is allowed to earn, increase it from \$40 a month as it is at the present to \$75 a month. That has been concurred in and will be put into effect as an administrative regulation at once.

Mr. WRIGHT: Mr. Chairman, I wonder if the director could state whether the department pays for books and equipment of those men attending universities and the various training courses.

Mr. WOODS: No. They do not pay for books in university, although the university library is available. We do not pay for any books in university.

Mr. WRIGHT: Do you pay for any equipment which is necessary for the student to have in the various training courses in which they may be engaged?

Mr. WOODS: In vocational training the equipment is all provided.

Mr. WRIGHT: It is all provided?

Mr. WOODS: Yes.

Mr. GREEN: What about university training?

Mr. WOODS: No. I brought with me this morning a number of our officers: General E. L. M. Burns, Director-General of Rehabilitation, who is one of the officers we were fortunate enough to find in Holland; Colonel W. R. Wees, who is our director of training, who is also one of the newly appointed officers; Mr. Jamieson, head of university training, and Mr. A. L. Crawford, head of vocational training. With that brief statement I am going to ask your permission to allow General Burns to make a supplemental statement.

General E. L. M. BURNS, Director-General of Rehabilitation, called:

The WITNESS: Mr. Chairman and gentlemen, the allowances and other benefits which are provided for in the draft bill which is before you are, as has been explained by the deputy minister, now authorized in the Post-Discharge Re-establishment Order which is set up under order in council P.C. 5210. The

evidence which I am going to give will be to describe generally how this program of benefits has been working up to date, and to indicate to you some problems which we feel may arise in the future.

According to the information which we have received, at May 1, 1945, there had been 214,455 persons discharged from the forces and by November 1 there had been 459,351 discharged, with 510,000 remaining in the services. Again, according to our information, discharges are to continue at about 70,000 a month, at which rate the services should be reduced to peace-time strength by about the first of June, 1946.

You have had passed around a table which shows for the 6 months from May to October inclusive the total number of discharged persons receiving each of the benefits authorized under P.C. 5210 and, for comparison, on the bottom line, the total number discharged month by month.

It would be very convenient for us in administering this program if we were able to forecast exactly how many ex-service men will take advantage of these various benefits, but it is impossible to do so with any precision because the number which applies for the more important benefits depends not only on the number discharged but also on the state of employment in the country generally. The number who are eligible to receive out-of-work benefit obviously is so dependent.

Up to the end of September we have had what might be described as full employment here. Consequently you will note that the numbers which have drawn out-of-work benefit have consistently been small. During the last month there has been a sharp rise; and if we should find in a few months' time that the number of applicants for jobs considerably exceeds the number of vacancies, then the numbers who will be drawing this benefit will rise also; and it can be expected to rise more sharply than the general level of unemployment in the country, because the veteran has not just got to keep a job, he has to find a job. One might say that the number drawing this benefit is a rough and ready indication of the degree to which the rehabilitation program has been succeeding. While it remains low, as the figures here indicate, it shows that the ex-service men are in jobs or are in training for jobs.

This benefit is payable to men who are registered for employment at the National Employment Service but for whom no work can be found. It is payable under the same conditions as the benefits of unemployment insurance, but without the necessity of preliminary contributions which the veteran, by reason of his service, has not been able to make.

The number which draws temporary incapacity benefit has been consistently small, and so far there have been no great problems in administering it.

The benefit for what is called "awaiting returns" shows a regular growth, and the only problem that has arisen in connection with this is the definition of "business". It is taken to be the intent of the provision that the business shall be the principal occupation of the ex-service man and one that is in every respect a bona fide enterprise and which will yield him a livelihood—in short, which is to be his means of rehabilitation.

We have had occasional difficulties in determining when a man is engaged in business. According to the expression in the draft bill, the benefit is payable when he is engaged in business. In one or two cases men have applied while they were waiting for premises to be constructed in which they proposed to set up business; we have taken the attitude, however, that until a man at least has premises, he cannot be said to be engaged in business. We took it that that was the intention behind the original provision.

The next benefit is vocational training; and you will note that many more have taken this benefit than those three benefits that have been so far mentioned. Up to the end of October some 4 per cent of those discharged have taken

vocational training. But the men in the services who have an interview with a counsellor before they leave, before they are discharged, have stated, according to the statistics which we have been given, that they intend to take vocational training to the number of 10 per cent, not 4 per cent who carry it out.

By Mr. Mutch:

Q. Is that in service counselling?—A. In service counselling; and the difference we believe occurs because the men on discharge have found that they can get employment at fair wages and consequently have taken jobs instead of vocational training.

By Mr. Green:

Q. Is there any sign of their coming back from the jobs to take vocational training?—A. Yes. We get a certain number back in that way.

By Mr. McKay:

Q. Does that regulation still hold good, 15 months after discharge?—A. No—

Q. Has it been extended?—A. For vocational training?

Q. For vocational training, I believe I am correct in saying it is 15 months after discharge.—A. No. It is 12 months.

Q. Or for university, it is 15 months after discharge.—A. Or the end of the war, whichever is the later date. The 15 months applies to university training.

By Mr. Bentley:

Q. Does the end of the war mean cessation of hostilities like V-J Day or does that mean when the government officially declares peace?—A. When the government officially declares peace.

Q. The war is still on for the purpose of this order?—A. That is right.

By Mr. White:

Q. Is that 15 months after discharge or after the cessation of hostilities?—A. For the purpose of vocational training it is 12 months after his discharge or 12 months after the cessation of hostilities. For university training, he must commence within 15 months after his discharge. There is that variation.

Q. What about the fellow who has to go to high school for two years?—A. That is included. A man who is taking preparatory training for entering university, if he starts within 15 months, comes within the term of the order.

By Mr. Blair:

Q. What about the man who is in hospital in England?—A. There is provision in the Act for allowing time spent in hospital wounded; it is not counted.

By Mr. Gillis:

Q. Do you find lack of training facilities a limiting factor in your vocational training set-up? I have reference to schools, teachers and so forth.—A. To some degree, I was just coming to that, Mr. Gillis.

By Mr. McKay:

Q. I have another question along that line. How do you differentiate between a student who takes his grade 12 as it is called in some provinces, which is classified as a university year. Suppose this discharged chap goes to high

school to complete his first in university. Is that considered as a preparatory course for university or is it considered as a university course? How do they classify that? Are you allowed a university year on that?—A. Perhaps that is a rather technical question that you might like to ask the directors, or at least the supervisor of university training.

Q. I think you would have a lot of cases of that kind.—A. Generally, we consider any preparation for any university and university training as one continuous training benefit which the man is entitled to draw upon.

The CHAIRMAN: I wonder if we should not let General Burns finish his statement, because it may be that he will deal with some of these questions in the course of the statement. Then we could ask any other questions afterwards.

Mr. Mutch: Let him go ahead.

The WITNESS: As far as vocational training is concerned, just as in out-of-work benefit, the level of employment is going to affect the numbers who take this benefit; because if jobs become hard to get, we expect to find that considerably greater numbers will be wanting training. The facilities of Canadian Vocational Training, which are estimated as having vacancies for training for 12,000 persons at the present time in technical and commercial courses, are not nearly filled up now, though in some lines of training and in certain areas, there is a waiting list. Canadian Vocational Training estimate that they can increase these facilities to take care of nearly 22,000 students. Both of these figures are inclusive of training on the job; that is in industry or manufacturing, which some 1,800 are now receiving. In addition, a certain number of men are getting training at private trades schools, and this number can be increased. Therefore we feel that we ought to be able to train most of those who are applying, although there may in cases be some delay, even if employment conditions get worse than they are at the present time. I understand that representatives of Canadian Vocational Training are later to be in attendance, who will be able to give you fuller details of their present and prospective arrangements.

There is another problem which is giving us some concern. You will note, if you have looked at the draft bill so far, that it says that the vocational or technical training should be "likely to fit him for employment or re-employment or to enable him to obtain better or more suitable employment." In short, the training should be designed to lead to some definite employment; otherwise the man is not rehabilitated, of course. So what we always have in mind in counselling the man at the rehabilitation centre, before we counsel him about what training he should take, is what employment he will get at the end of it. Unfortunately it is very difficult to forecast the types of trade or occupation in which employment opportunities are going to be good in 5 or 6 months time. We do not know whether the counsellor should advise Mr. Joe Doakes who comes in, an ex-service man, whether he should be a butcher, a baker or a brick layer. Well, a brick layer was not a very good example, because we think there are good opportunities there, but you will see what I mean. We have not been able to get any forecast of what employment opportunities are going to be throughout all the trades in which the men ask for training.

By Mr. Mutch:

Q. Is that the first consideration, General, or is the first consideration the man's own aptitude?—A. Most men have aptitudes for training in several different lines, Mr. Mutch, I think; and we do wish to consider and advise the man what he is likely to get employment in after the end of his training.

By Mr. Wright:

Q. Have any investigations been made by the government with a view to finding out what jobs may be available? It seems to me that is a very important matter.—A. The Department of Labour has made certain investigations, Mr. Wright; and I think their representatives will be here later on. But we have not been able to get anything clear in the way of direction.

Mr. WRIGHT: You say your department has not been able to get anything clear from them in respect to the situation. I think that is a rather serious situation.

Mr. WOODS: May I say in reply to Mr. Wright that two years ago we urged the Department of Labour to make a survey of employment opportunities so far as they could be forecast, and said if they would not do so, that we would undertake it ourselves. They have much wider facilities than we have, with 250 offices compared with our 30. So they undertook to canvass the situation. They found, however, that most employers told them the future was so obscure as to raw materials and this kind of thing, as to any reconstruction policy, that it was difficult to get anything precise, anything that was very useful. They did not know how long the war was going to last, how scarce raw material was going to be and so forth. Although they have made a real effort,—and I would prefer that that department speak about it rather than us—the results have not been very useful for us. General Burns was about to outline to you the formula that we are using in relating training to the job possibilities.

The WITNESS: Mr. Chairman, we have given this subject recent study, and the inter-departmental advisory committee on rehabilitation and re-establishment on which the Department of Labour and other interested department as well as ourselves are represented, has set up a subcommittee to divide the facilities of Canadian Vocational Training among the different trades, roughly in ratio of the numbers of those trades to the whole population. I do not know if I make myself clear.

Mr. CROLL: Quite.

The WITNESS: We felt that was the only arrangement we could make that would be practical.

I will now pass on to educational training benefits which, as has been remarked, will shortly be payable to a very much larger number than are shown on the table. At the beginning of this fall term,—that is towards the end of September and the beginning of October—we had a very large registration and we think that nearly 16,000 are now in attendance. The returns which are shown in the table are made up from benefits which are shown in the table are made up from benefits which have actually been awarded, and it takes about a month for the returns to come in. Additionally, I may say that almost half of those who attended, who joined universities, came directly out of the services and went there on acceptance by the university without having completed their arrangements, or in some cases without having notified the Department of Veterans Affairs that they were going there. Consequently, it has taken us some time to get in touch with these young men and to go through the procedure which is necessary in order to pay them grants.

By Mr. Green:

Q. Will they be prejudiced for that reason?—A. Not at all. There is just delay in getting their grants, Mr. Green. This very large number of students, of course, places a great strain on the universities. They have to make special arrangements for staff and accommodation which is most difficult at the present time. The universities are, as members doubtless know, arranging to take in

students at three periods during the year. The next intake will be in January, 1946 and there will also be one in May, 1946. That is not so with regard to all universities, but certain universities are doing that.

By Mr. Brooks:

Q. Is the department making special arrangement to pay the staffs of universities extra pay for the extra work they are doing?—A. A grant of \$150 per student, per academic year, is made and that is intended to cover the cost of additional staff.

Mr. Woods: In addition to the regular tuition fee.

By Mr. McKay:

Q. General Burns, could you state approximately how many universities are doing this, splitting the academic year into three parts so these students can be started off at three different periods in the year or could you give us what fraction are doing it?—A. I would suggest you might ask Mr. Jamieson that question.

Mr. JAMIESON: The larger number of the larger universities, sir; practically all of the larger universities.

Hon. Mr. BRUCE: May I just interject a word there, since there has arisen the question of the \$150 which the universities receive for each student. I understood the deputy minister to say that that was in addition to the tuition fee.

Mr. Woods: That is right, sir.

Hon. Mr. BRUCE: I was not quite sure on that point.

Mr. Woods: That is quite correct, \$150 in addition. The universities made out quite a good case to us that their regular tuition fees only covered about 40 per cent of the cost of the course; 40 per cent is high, as a matter of fact.

Hon. Mr. BRUCE: That is the point I was going to make. That amount, of course, does not begin to pay the cost to the universities of providing these facilities for the students.

Mr. LENNARD: Mr. Chairman, do I understand that, if a chap arrived home in the early spring and was admitted to university in May, he would not lose his year but would be able to complete his year provided he could pass the examination? I ask that because I have had,—and I am sure other gentlemen have had—inquiries on that point. I know of several chaps who have completed two years of university and are now overseas in Holland; they are worrying because they are going to lose another year, in addition to the two or three years they have been overseas.

Mr. JAMIESON: The answer to that with respect to the first man commencing university is that if he enters in the May session he will have an opportunity of completing his first year in time for the fall session and will enter normally into the second year. The universities are attempting, as far as possible, to arrange courses in such a way that a more advanced man who may have enlisted at the end of the second or third year might have a special course arranged by the spring, and that is more difficult.

Mr. McKAY: Are we going to have an opportunity to hear Mr. Jamieson further?

The CHAIRMAN: Yes.

Mr. BRUCE: May I at this point make a little correction with regard to something I said in the House the other day, because the members of the committee should know it. In reference to the cost of education in universities which is being provided to these returned men, the other day I mentioned that

the University of Toronto had taken over the Ajax building at Pickering, and that the additions to the buildings and equipment will cost them \$250,000, which sum was being paid by the government of the province of Ontario. I find that I was in error in that amount; the amount which the government is paying for this expenditure is \$786,000.

The CHAIRMAN: I wonder if we could continue with the questioning of General Burns?

The WITNESS: At a recent meeting we had with the university advisory committee we inquired whether they expected to be able to take care in the university of the additional 15,000 over and above those who are already there, that we expect may apply in the next fall term, and the university heads were of the opinion that they could do so if the federal government would assist, especially by loaning surplus buildings and equipment under favourable terms. It should be mentioned, I think, that at the present time there are certain faculties, especially medicine and dentistry, which are full, and which have to tell the applicants that they must wait. That refers to certain universities. The details can be given by Mr. Jamieson, should any member wish to know more about that.

Now, there is another problem which we foresee may be an important one later, and that is with regard to the ex-service man who is hard to rehabilitate; that is to say, one who is hard to place in a job and keep in a job. There have been quite a few men who have been placed in employment a number of times only to lose that employment. We feel that all such cases should have special attention because they represent the beginning of a problem which will be serious in a year or so if they are not looked after now. We want to profit by experience after the last war and, by taking early action, suited to the individual case, endeavour to settle the man in employment and thus avoid the possibility of building up any considerable number or class of veterans that verge on being unemployables.

And here again it is obvious that the size of the problems is going to be dependent upon general levels of employment in the country. If jobs are plentiful, even the less able and energetic veterans will be able to find employment; whereas, if unemployment is at all widespread, the unemployed veteran problem will increase in a disproportionate manner.

Special provisions will have to be made for the care of veterans of two wars who now are at an age and in a physical condition where it is difficult for them to compete in the open labour market. This question is not directly connected with the benefits which are provided under the draft bill, but it is likely to be an important one in the future and is being studied in the branch.

Now, I would like to say a word or two about certain amendments to the post-discharge re-establishment order which have been incorporated as a result of our experience or, rather, as suggestions as a result of our experience in the administration of this bill. An amendment to the portion that deals with "awaiting returns" and vocational training has been suggested by the Veterans' Land Act administration, and its effect would be to relate the time within which a man can make application for the benefits and the time when he is established on the land, because, as you have heard from the Veterans' Land Act officials, it may be some time, more than a year, before all the men who apply for settlement under the Veterans' Land Act can be put on the land; and we have always contemplated giving them benefits under "awaiting returns" and vocational training if they need it, and we wish to make it possible for them to take it and not be excluded by the operation of the normal limitation.

The CHAIRMAN: That is in this proviso?

The WITNESS: Yes, the end of 6(3).

The CHAIRMAN: The end of clause 6 of the draft bill?

Mr. QUELCH: If a man is given the allowance and goes on a farm prior to his coming under the Veterans' Land Act would he be allowed to keep it if he comes under the Veterans' Land Act?

The WITNESS: Provided there is never more than twelve months altogether. We have suggested another amendment which would have the effect of consolidating provisions for the payment of tuition fees and the other necessary charges to extend this provision to cover charges for vocational training. These are amendments which come within section 11 of the draft bill.

A further amendment to section 11 and 10 would extend the powers of the minister to pay for course of training for men in hospital and health and occupational centres, and in certain other circumstances without detriment to the veteran's right to ordinary vocational or university training, or under the Veterans' Land Act, or to re-establishment credit. These provisions are for the benefit of pensioners or men with disabilities, and are designed to take care of training which is partly therapeutic and partly to restore or compensate for lost faculties. Hence, the training is only vocational in character to a limited extent, and in certain cases it is not felt to be fair that a man who has to have it to restore him to proper physical condition should lose what might be called the normal entitlement.

I should like to suggest that Major Dunlop, who deals with the casualty rehabilitation, could testify on that if desired.

Another amendment deals with the provisions establishing eligibility for benefits under the Unemployment Insurance Act, and the relation between these and the out-of-work benefits.

Previously the amendments under the Unemployment Insurance Act and the out-of-work benefits were tied together by certain provisions which were rather cumbrous administratively, and it was felt by both the officials of the Unemployment Insurance Commission and ourselves that it did not serve any useful purpose.

It has been suggested that sections 17 and 19, which deal with the benefits of placing the veterans under the unemployment insurance regulation, should eventually go into the Unemployment Insurance Act; but it will not be possible, I understand, to arrange that before the order in council P.C. 55210 might lapse, and consequently these provisions, in order to keep them in force, have been included in the present bill.

Finally an amendment is being proposed in the suggestion of the university advisory committee which will allow veterans attending universities who fail in only one subject in the supplemental examinations following the end of the academic year, to carry that subject through the following academic year, thus bringing the provisions of the Act in accordance with the usual academic practice. There have been certain difficulties raised to this, as I understand, and we are going to propose an amendment to the draft bill. It is not actually included.

The CHAIRMAN: It is not in force there at the present time, is it?

The WITNESS: No, the present regulation is that they may not carry any condition or supplemental through the academic year.

Mr. CROLL: I think that it is the sense of the committee to agree with your amendment. I think that the committee would feel better if they felt no injustice would be done in the meantime, because something may be done between the passing of the Act—

Mr. MUTCH: December is the critical month.

Mr. WOODS: If the committee recommend it we could advance that by order in council.

Mr. CROLL: I think it is very important. The committee know the problem and I think the expression of opinion here would be unanimous. That is my own feeling on the matter, and I think you ought to know it.

Mr. MUTCH: If that is going to be done it should be done within the next two weeks.

Mr. CROLL: Do it now.

Mr. GREEN: What is the practice? In some of the universities there would be no possibility of men losing out on the provision until after the first year. I do not know whether they are all the same.

Mr. JAMIESON: Mr. Chairman, the question at the moment is not the attitude of the universities, it is the authority of this department to pay the grant in the case of a man who has failed one supplemental examination.

Mr. BROOKS: What do you mean? If he fails on a subject he has a supplemental examination, and if he fails a second time—

Mr. JAMIESON: He is out.

Mr. BROOKS: Is that the practice in most universities? Will they give them more than one special?

Mr. JAMIESON: The usual practice is that he may carry one condition through one year, and the proposed amendment would permit him to carry that one condition through the one year.

Mr. BROOKS: I think our soldiers at the universities should be given exactly the same chance as the ordinary students.

Mr. BRUCE: He would carry it through to the next year?

Mr. JAMIESON: He would be expected to eliminate that condition at the termination of the next academic year.

The CHAIRMAN: Have we the actual recommendation of the university advisory board?

Mr. JAMIESON: Yes, sir.

The CHAIRMAN: Because, as has been suggested, if we endorse it I am quite sure that everyone agrees with Colonel Brooks that we should ask that our veterans be treated at least as well as those who ordinarily attend as civilians.

Mr. MUTCH: So far as the universities are concerned, they are willing to do that.

Mr. McKAY: There is an inter-related subject—I do not know whether we have anything to do with it or whether the university advisory committee has anything to do with it—but I think the matter of uniformity comes in: one university may have a higher standard than another in the same courses.

The CHAIRMAN: That is a matter that the university advisory committee was set up for—to try to bring some uniformity into this matter—and we will have some submissions on that.

Mr. WOODS: This is from the minutes of the university advisory committee. I should like to mention that the committee is comprised of President Milton Gregg, University of New Brunswick; Principal Cyril James, McGill; President MacKenzie, University of British Columbia; President Thomson, University of Saskatchewan; President Smith, University of Toronto; Dr. Tory, and a few other departmental officers.

The recommendation referred to reads to this effect, that the university committee members reported that veteran students are expressing concern about the rigidity of the legislation which does not permit a student to carry one

condition from one academic year into the next, as is the general university practice, and the resolution was approved that the present legislation be amended to permit a student to carry one condition for one year. Mr. Gunn, our departmental counsel, has part of the amendment drafted.

Mr. GUNN: Mr. Chairman, it is proposed to delete clause 8, subclause 3, of the bill and substitute therefor the following:—

No allowance under this section shall be paid to a veteran who, having failed in one or more classes or subjects in any academic year, fails in more than one of the supplementary examinations next offered by the university in any of such classes or subjects.

Mr. BLAIR: I do not think this amendment covers everything in certain universities. Take a class in science, about November or December they have a set of examinations. If the students do not make good in those examinations, they are fired out; they are through for the year. That does not apply to carrying the special through the year. Immediately all these boys who fail are weeded out in December. Some of those veterans who come back will not be able by December to become accustomed to studying, and they are going to be fired out without the advantage of a special. The university makes the decision whether or not a man shall go ahead in that faculty or class or not. So that every year in ordinary times you have a list of casualties of freshmen occurring after the new year. It would be a shame to have these boys lose out. There is no regard to specials at the end of the university year; these boys will not have their chance to go ahead with their course in certain faculties for the remainder of the year, they weed them out in December. I do not think the amendment goes far enough.

Mr. CROLL: I do not think you cover even the case originally intended.

The CHAIRMAN: The way it reads to-day in the bill it provides for if they fail to pass the supplementary; this provides for a man to carry one supplementary over.

Mr. MUTCH: It does not take care of the case Mr. Blair mentions—from one year to the next.

Mr. GUNN: Mr. Jamieson is familiar with the workings of this plan.

Mr. JAMIESON: Mr. Chairman, the point raised is one that is entirely within the discretion of the universities.

Mr. BLAIR: We want to guard against that. Universities are pretty cold hearted when it comes to firing people out.

The CHAIRMAN: We have no control over a university.

Mr. BLAIR: If they are going to be given grants, there should be some control and some consideration given along these lines.

Mr. MUTCH: Special consideration.

Mr. JAMIESON: I would like to say that in our working with the universities, the Canadian universities, there is every evidence of the fullest consideration being given to every ex-service man.

Mr. BLAIR: That is not on paper. Now, universities are going to keep their standards up as high as they can. If they graduate a man in civil engineering they want him to come up to the standards of that university; if he does not, they weed him out in the first year. They will carry that out in medicine and dentistry or any other faculty.

Mr. CROLL: How could we meet that?

Mr. BLAIR: I think something should be worked into this Act at the discretion of this committee to give these boys a chance so that they will be given consideration for the whole year if they do not make good at the end of their first year. Then I think it would be time to start the weeding out process.

The CHAIRMAN: The question arises, at the same time, whether the attitude of the universities is as you suggest, which I doubt very much, because I think they expressly desire to help the ex-service man as much as possible. But if they are as you say, what can the committee do? We cannot force them to keep these students in their institutions.

Mr. BLAIR: We could keep that boy on for the whole year—give him a chance.

The CHAIRMAN: If the universities do not want to keep the men, what are you going to do about it?

Mr. BLAIR: I think it is at the discretion of the committee. We should try to work out something. I know that will occur. It occurred before the war and it will occur now.

Mr. GREEN: I think both the universities and the veterans are carrying on in a splendid way at the moment.

The CHAIRMAN: Yes.

Mr. GREEN: Certainly all the reports I get from different parts of the country indicate that fact. I think perhaps we would be well advised to approve of their recommendation. If we start meddling further than that, we are apt to upset the whole situation.

Mr. BROOKS: I think it boils down again to whether they treat their own students—that is, civilian students—differently. It is my impression that at the end of a term, if a student fails on a subject, he gets a sup. into the next term. It is not a question of whether the sup. is at the end of the year or at the end of the term. What we should ask for and what we should have assurance of is that these soldier students shall receive exactly the same consideration as is being given to civilians.

The CHAIRMAN: You would give them the grant so they can do it.

Mr. BROOKS: Yes.

Mr. BLAIR: No. That does not answer it.

Mr. MUTCH: No. It is not quite as simple as that, unfortunately. There are universities in Canada who deliberately weed out their classes. I am not thinking of veterans now. They weed out their classes at the December examinations. There is no question about that. They do not always do it, I might say, with the loftiest of motives either, since we have raised the subject. There is a very definite professional monopoly with respect to some of the professions which does not dare come out into the open at the preliminary selection but cuts the throats of the people that they do not want at the time of the examination; and I think we should be concerned, if we can do anything about it, to see to it that the veterans do not fall under that super-critical attitude or super-jealous attitude, if you like, of the standing professions.

Mr. BLAIR: My contention was this. Take a boy who has been through 5 years overseas. He is not going to be in line, is not going to be fit and is not going to become accustomed to methods of study by Christmas.

The CHAIRMAN: I will point out to this committee that there is a certain constitutional jurisdiction in this country, and it is to be assumed that the legislatures of the provinces, who have control over education, have in their bodies veterans who are equally interested with us in seeing that the veteran gets a square deal. We want to be very careful that we do not interfere in their jurisdiction. In regard to the province of Saskatchewan I know there are in that legislature people who are equally interested in the veteran, as compared with ourselves; and if they find out that their provincial university is not treating veterans properly, they will look after that point. What we have to consider is that we put the veterans in the financial position to avail themselves

of the education provided under the constitutional jurisdiction of this country, which in turn will be watched over by veterans in the respective legislatures. But if we start interfering in those fields, we are getting into fields that we have no right to get into whatever.

Mr. CROLL: Why not? Mr. Chairman, you have caught a bit of a Tartar. In the first place I do not think this committee is prepared to pass on responsibility. I speak for myself; I am not prepared to pass on any of the responsibility that I have with respect to the veteran to any group in any legislature, although their motives are as high as mine and their capabilities are as good as mine. If I see something that needs correction, I am going to bring it up in the committee here.

What Dr. Blair says is completely true. I do not like to refer to myself but I was not particularly young when I joined the army. I remember when I was sent down to R.M.C. At first I was sent to take a special course at Sandhurst to obtain my commission. I was then 39 years old. Although I had studied at the university and I had been a lawyer for many years, I found that getting down to work was an impossible task for a great length of time. I found that whereas others could work and have time off, from the moment I got in there to the moment I left I did not have an evening or an afternoon off, because of the work I had to do to be able to keep up with the other fellows. It was not the work so much as the ability to get down to it; I had been away from it so long, it was just difficult to get down to it. At the end of the course I am frank to say that I was where I should ordinarily be. I graduated with proper responsibility and honours. But I found the same thing again when I went up for another course at R.M.C. a couple of years later. It was very, very difficult and I had to work very, very hard to do it. Others of my age found the same difficulty.

I find that those who go back to university are telling me the same story that Dr. Blair brings to the committee now; they have been away too long, and there is the difficulty of getting down to it. It takes them months and months and months. Once they get down to it, they do just as well as the others. We must somehow guard against the difficulty, Mr. Chairman. I do not say we could direct it, but at least we could bring it to the attention of the various universities and point out that not only must these people get the same treatment as civilians get, but they must get a little more in that particular respect, and they must have a little wider understanding. I think it is our duty to bring it to their attention. It may not have come to the attention of other people. At least if we direct their thoughts in that respect, we will get some reward for it. But I think it is a very serious problem, and that some of those here who are medical men might very well speak on that subject.

Mr. WOODS: Mr. Chairman, may I be permitted to say that in our experience the universities have been very tolerant, very patient and very generous in their attitude toward veteran students; in fact, they speak of them as being on a higher grade than the ordinary student body.

Some Hon. MEMBERS: Hear, hear.

Mr. WOODS: Out of 2,100 veterans who finished their first year only 51 were plucked; only 51 failed. That in itself indicates that there is not any wholesale failure on the part of the universities.

Mr. MUTCH: That is an excellent thing.

The CHAIRMAN: As a matter of fact, that bears out what has been said.

Hon. Mr. BRUCE: I just want to say a word in support of the statements made by Colonel Croll and Dr. Blair. These returned men who spent 5 or 6 years overseas and who are beginning university courses are in a very different position from that of the ordinary civilian undertaking that course. I was

talking this matter over recently with Dr. Best of the University of Toronto; and he agreed with me that these men returning required a number of months in order to readjust themselves to civilian life. Their whole mental outlook was altered. He thought that men returning should have at least 6 months' freedom from anything, from work or from study, to get themselves readjusted, and after that period they could very well undertake training in the university and so on.

I should just like to say in addition that I am quite sure I can speak as governor of one university when I say that any representation made by this committee to the board of governors of that university would have great sympathetic consideration and would be of value in directing their attention to the necessity of some special consideration for the veteran in his first year. He is going to have trouble in his first year. There is no doubt about that. It is very difficult to get down to study after you have been in the field, and where your chief occupation has been to kill people. There is no doubt that it takes many months for a student to get into the habit again of studying. I do not know whether this amendment will deal with the whole question; but if not, then I would suggest that some additional safeguard be put into the Act so that the veteran students during the first year will have every opportunity to readjust themselves and carry over whatever subjects are necessary to the second year. I am sure that they will all make good.

Mr. Mutch: Mr. Chairman, just to be perfectly clear, may I say this. A moment ago when I followed Dr. Blair, I said that some faculties of some universities do use the mid-term examinations for a professional housecleaning of the candidates in those faculties, and I do not withdraw from that position at all. I know it is true. But I hope the committee did not get the idea that I was suggesting that that practice was being carried into the dealings with the veterans in those universities. What I rose to my feet for then, and what I now wish to make clear is this. I think it is the sense of this committee that while we have no desire to interfere as a committee with the policy of any university, we are anxious that that weeding out process, which is the mid-term practice in some faculties in some universities, should not apply in any way to the veteran. That is all I wanted to make clear.

The CHAIRMAN: We have to remember that the university authorities are interested in the veterans just as this committee is, and what I am concerned about is that we should preserve their confidence so they will continue to cooperate. The recommendation was—and I think the committee will agree with this—that to further clarify the departmental policy it was decided that if in his first term at the university the man with considerable service has not succeeded in obtaining passes then those grants may be continuous throughout the next term if, in the opinion of the university authorities, he has a reasonable chance of obtaining pass standing on his full year's work. However, in such a case the veteran should review his rehabilitation plan with the university and the Department of Veterans Affairs as well.

Mr. Mutch: That covers it, but does the amendment cover it?

The CHAIRMAN: That is what I had in mind when I said that it seemed to me that the chance of getting this through the House is not great and that all this committee needs to do, as I see it, is to express approval of the government by order in council carrying out the recommendation of the university consultative committee; and then it can be worked out along those lines.

Mr. Mutch: That expressly says, first term. That is what we want—not first year.

The CHAIRMAN: I am sure from what we have heard that we can rely on the complete cooperation in this matter of the university authorities and

the provincial authorities and, secondly, that the experience has been contrary to what a lot of people feared—that the veteran coming back is proving to be a better student than the average civilian, and that his period of absence from study has enabled him to come back and make a greater success of scholastic endeavour than would have happened had he not been away.

Mr. GREEN: He is far more in earnest.

The CHAIRMAN: Yes. That is a heartening discovery arising out of this present work. This is the recommendation of the university subcommittee. In view of the fact that it is doubtful whether we will get this bill recommended to parliament in time to get it through this session, I suggest that this committee express itself as urging the government to pass the necessary order in council to carry out the suggestion of the university advisory committee.

Mr. MUTCH: I so move.

The CHAIRMAN: Is that the unanimous wish of this committee?

Mr. GREEN: Mr. Chairman, I cannot understand your suggestion that we cannot get this bill through the House; I think it is of the greatest importance that we do.

The CHAIRMAN: I think it is, too.

Mr. GREEN: We had pretty good luck yesterday with the War Service Grants Act. Could we not go ahead and consider the sections of this bill?

Mr. MUTCH: Examinations begin in two weeks in some universities and earlier in others.

The CHAIRMAN: I am pleased that the other bill went through so expeditiously yesterday, because apparently it was the idea that if they took time to put through one bill that was the most time that could be allotted and give time to other matters. It is always possible that we can slide a third bill through, but could we not agree to recommend this?

Mr. GREEN: I have no objection to recommending the order in council. I questioned your remark because it sounded as though we had given up the hope of getting this bill through.

The CHAIRMAN: Oh, no.

Mr. GREEN: We certainly prefer to have these rights of the veteran in statutory form rather than as orders in council.

The CHAIRMAN: I appreciate that very much, Mr. Green, and I hope we will continue to do the best we can to get at least three of these bills through the House if we possibly can. Now, may I take it that it is the unanimous wish of this committee that this be done by order in council in the meantime?

(Agreed)

Gentlemen, if it is your wish we will sit on Thursday morning at 10.30 providing the House is not sitting; if the House is sitting we will then meet in the afternoon.

The committee adjourned to meet on Thursday, November 29, at an hour to be decided.

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SESSION 1945
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 27

Thursday, November 29, 1945

WITNESSES:

Mr. W. S. Woods, Deputy Minister of Veterans Affairs;
Mr. W. G. Gunn, Counsel, Department of Veterans Affairs;
Major-General E. L. M. Burns, D.S.O., O.B.E., M.C., Director-General
of Rehabilitation.

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1945



MINUTES OF PROCEEDINGS

THURSDAY, November 29, 1945.

The Special Committee on Veterans Affairs met at 4 o'clock p.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Adamson, Ashby, Benidickson, Blanchette, Brooks, Bruce, Cockeram, Croll, Emmerson, Fulton, Gauthier (*Portneuf*), Gillis, Green, Harkness, Herridge, Jutras, Kidd, Lennard, Mackenzie, McKay, Merritt, Mutch, Probe, Ross (*Souris*), Sinclair (*Vancouver North*), Skey, Tucker, Viau, White (*Hastings-Peterborough*), Whitman, Winters, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mr. W. G. Gunn, Counsel, and Major-General E. L. M. Burns, D.S.O., O.B.E., M.C., Director General of Rehabilitation, Department of Veterans Affairs.

The Chairman filed replies received from the Director, Soldier Settlement and Veterans' Land Act, to certain questions asked by Mr. Cruickshank. It was ordered that the answers relating to applications under the Veterans' Land Act in the Fraser Valley be printed as Appendix "A" to this day's minutes of evidence and that those giving details of properties acquired be forwarded to Mr. Cruickshank.

Mr. Jutras from the sub-committee on the use of gratuity credits for the purchase of shares in co-operatives reported as follows:—

The sub-committee of Messrs. Benidickson, Bentley, Belzile, Harkness, Jutras, Drope, Quelch, Winters, appointed by the Veterans' Affairs Committee on November 9th, 1945, to study the question of a recommendation to the House relating to the use of gratuity credits for the purchase of shares in a co-operative and relating also to the amendment of the Veterans' Land Act to include co-operatives' reports as follows: In view of the fact that it was pointed out to your sub-committee that there appears to be a substantial diversity in the respective co-operative legislation in the various provinces,

that there appears to be no clear definition of co-operatives under the Dominion Law,

that the right of withdrawal of members of such organization varies from one enterprise to another and from one province to another,

that the War Service Grants' Act limits the benefit to the Veteran or his wife or to both jointly and that the special committee did not think it wise to extend it further,

that the co-operative farming projects are still in the experimental stage and have not as yet gone through the trying test of experience,

Your sub-committee feels that the greatest care should be exercised so as not to jeopardize the rights of the individual veteran and that with the limited time at its disposal and the extensive search for information it would have to undertake to do full justice to such an elaborate question, it therefore RECOMMENDS that no action be taken at this session and respectfully suggests that the Deputy Minister of Veterans' Affairs and the appropriate officials of his Department be requested to make a thorough study of the co-operative legislation as enacted in each of the provinces more particularly as they affect the Veterans as a preliminary basis for further consideration at the next session.

Consideration of the draft of the proposed bill to provide rehabilitation allowances for veterans was resumed.

Paragraphs (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), and (l) of clause 2 were adopted without amendment.

General Burns was recalled, made a statement on the operation of out-of-work benefits under the Post Discharge Re-establishment Order, was questioned thereon and retired.

Mr. Merritt moved that sub-paragraph (ii) of paragraph (k) of clause 2 be amended by substituting the word *domicile* for the word *resident* in the first line thereof.

After discussion, on motion of Mr. Jutras, it was agreed that this paragraph stand until the next meeting.

On the suggestion of Mr. Gunn, it was agreed that clause 2 be amended by adding the following definitions:—

“Department” means the Department of Veterans Affairs;

“pensioner” means a veteran who is in receipt of a disability pension under the provisions of the Pensions Act;

“university” means a university or college of educational standards approved by the Minister;

At 6 o'clock p.m. the Committee adjourned until Friday, November 30, at 2 o'clock p.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

November 29, 1945.

The Special Committee on Veterans Affairs met this day at 4 o'clock p.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: The honourable the minister has an announcement to make to the committee.

Hon. Mr. MACKENZIE: Mr. Chairman and gentlemen, I just want to inform the committee that some questions which you were discussing here were before council this morning and the recommendation to council was approved. I have not the final order in council here; otherwise I would table it for your permanent record. I will have it to-morrow or the next day. The recommendation is as follows:—

The benefits of the Pension Act, in so far as the same or equivalent benefits are not provided under the laws or the regulations of members of the British Commonwealth of Nations, other than the Dominion of Canada and the United Kingdom of Great Britain and Northern Ireland, or under the laws and regulations of the several countries allied with His Majesty, shall be conferred upon all persons domiciled in Canada at the date of the commencement of the war with the German Reich, who subsequent to that date have served in the naval, military or air forces of any of the said Members of the British Commonwealth of Nations, or in any of the aforesaid forces of any of the countries allied with His Majesty, and who, while so serving during the said war have suffered disability or death in respect of which a gratuity or pension has been awarded under the laws or regulations of any of the aforementioned countries; and the widows, children and other dependents of such persons shall be entitled to the benefits of the said Act in so far as the same or equivalent benefits are not provided in respect of them under the laws or regulations of any of the aforementioned countries: provided that payments may be made under the provisions of this regulation only to such persons as are residents of Canada and during the continuance of their residence therein.

That is much broader and wider than we had after the first great war. It applies to all of the allies as the British Commonwealth of Nations.

Mr. BROOKS: That applies only to the Pension Act?

Hon. Mr. MACKENZIE: Yes. Just pensions.

Mr. CROLL: Did you not mention gratuities?

Hon. Mr. MACKENZIE: I mentioned gratuities once.

Mr. BROOKS: It is pensions only.

Hon. Mr. MACKENZIE: This came from the Pensions Department to me this morning. It says, "has suffered disability or death in respect of which a gratuity or pension has been awarded under the laws or regulations of any of the aforementioned countries". That is where the gratuity or pension has been given by the other nations, we can supplement that at the Canadian rates.

Mr. WOODS: That refers to a gratuity that is paid, instead of continuing pension, for a slight disability.

Mr. CROLL: Oh, yes.

The CHAIRMAN: Gentlemen, we have an answer to a question asked by Mr. Cruickshank. The first part of the answer has to do with applications for qualification by veterans residing in the municipalities of Chilliwack, Kent, Maple Ridge, Matsqui, Mission, Pitt Meadows, and Sumas, and disposal thereof as at November 22, 1945. There is a table there. Then there is the second part of the answer which has to do with applications for qualification by veterans residing in the vicinity of Abbotsford, Mission City and Hope, B.C., and disposal thereof as at November 22, 1945, and there is a table in regard to that. Then there is a complete table of the land purchased, the acreage, the value and the cost in those various areas, both in regard to farm land and small holdings. What I had thought was that we might, subject to your consent, table the first two tables and hand this other to Mr. Cruickshank without having it go on the record. Is that satisfactory?

Some Hon. MEMBERS: Yes.

(Tables appear as Appendix A)

The CHAIRMAN: The first item which I should like to mention is this. I may say that we have been discussing it in the steering committee and have not yet come to a conclusion on it; we will have another meeting of the steering committee some time as soon as possible this evening. As you know, we reported the Veterans' Land Act to the House and it does not represent the last word, as far as many of the members are concerned, in regard to what they would like to see in it. There is a feeling that, by reporting the bill and having it proceeded with, it may prevent the matter being considered further next session. Of course, we certainly can say that this committee or a similar committee will go on next session from where it left off, and we can report any recommended amendment to the House. However, we cannot guarantee, any more than now, that any recommendation will be accepted by the government. It was the thought of the government that unless any bills we recommended from now on, including the Veterans' Land Act, would go through without an extended debate, there was no use in having them introduced into the House. Now the question has arisen as to whether I can say that the recommendation of the committee—if we report another bill—if carried into legislation, will or will not entail a long debate. I have been asked to definitely say that, in view of the statement of the Prime Minister to the House that no other legislation except the gratuities Act was going to be introduced this session. It was the feeling of many members that they would like the other two measures, to the extent to which we can agree on them, to be reported and embodied in legislation, especially in view of the uncertainty that seems to be hanging over this Emergency Powers Bill. There was also the other thought, that this committee has admittedly worked very hard and it was thought only fair that the result of its labours, as far as possible, should be embodied in legislation. That is the situation at the moment. I just lay that before the committee.

I have asked the representatives of the other parties to get together with their parties and to let me know if they are willing to let what we have agreed on so far go through the House without moving amendments and presenting improvements which all of us might like to see in the Acts and which we might work on next session. If that should be decided on, then we will have to report it so that it can be recommended and go through council in time to be brought into the House on Monday, so they seem to think. That would mean sitting tomorrow and attempting to put the post-discharge regulations into the form of statutes without the lengthy consideration of them that we had hoped to have. Having done that, we could then go on and hear evidence from the representatives of the Department of Veterans Affairs, from the Department of Labour as to how they are handling the unemployment situation, and something from

the Civil Service Commission in regard to the preference. We could also have some discussion as to whether we were ready to recommend something in regard to the assignment of war veterans' allowances in the case of those who wished to take up small holdings, and if we wanted to do so, we could take some time to just discuss loans to business and professional people; then there would be one sitting to draw up our final submission to the House which would embody the definite recommendation that this or a similar committee be set up as soon as possible next session to continue the work. If it is possible to go ahead with the legislation, then I think that we should try to meet some time tomorrow and see if we cannot put through the post-discharge Act, with the amendment which was recommended yesterday, as practically the only amendment. I am just explaining the situation, because it will depend upon the report made to me by the representatives of the other parties in the House. With that, I think we may as well proceed with the submission that was being made yesterday or on Tuesday by General Burns.

Mr. CROLL: He had finished, had he not?

General BURNS: I had concluded.

Mr. JUTRAS: Before you go on, Mr. Chairman, may I say that the subcommittee has met and we are ready to present our report either now or later, whichever meets with the pleasure of the committee.

The CHAIRMAN: You might as well present it right now and have it on record.

(See Minutes of Proceedings)

The CHAIRMAN: That will be tabled as part of the proceedings.

Is it the desire of the committee to discuss this now or to discuss it at the next meeting?

Mr. WRIGHT: I would suggest we discuss it at the next meeting, and go on with what you proposed.

The CHAIRMAN: That will give an opportunity for every body interested to consider it.

Did you wish to make a statement, Mr. Woods?

Mr. WOODS: General Burns mentioned the amendments that are proposed to the Post-Discharge Order and I think that concluded our case. We thought you perhaps might wish to go through the bill clause by clause.

Mr. GREEN: I so move, Mr. Chairman.

Mr. CROLL: That is a good idea.

The CHAIRMAN: Have you prepared an amendment, Mr. Gunn, to embody the recommendation of the committee as to the universities, other than what you had yesterday?

Mr. GUNN: No. It is in exactly the same words as yesterday.

The CHAIRMAN: But that did not seem to cover the last clause of that recommendation. Or would that be a regulation?

Mr. WOODS: You are referring to increasing the exemption?

The CHAIRMAN: No. The question of a veteran who fails to do well in his class just in the first part of the term.

Mr. WOODS: The committee agreed they were to advance it by order in council.

Mr. GUNN: That has been done. It is being advanced by order in council right now.

The CHAIRMAN: Yes. Have you got it in such form that it can be embodied in the bill?

Mr. GUNN: Yes. It is in exactly the same words I had yesterday. I think that you pointed out, Mr. Chairman, that any addition that might be for the purpose of compelling the universities to take a certain line of action would be *ultra vires*. With that, of course, I agree. It does seem to me this is about as far as we can go. It improves the condition of the veteran; it puts him in line with the other students, at least.

Mr. CROLL: He never should have been out of line, Mr. Gunn.

Mr. GUNN: I am not saying anything as to that.

Mr. McKAY: Mr. Chairman, did you not suggest at the last meeting of this committee that we were to hear from Mr. Jamieson on this question of university training? I think I asked that question.

Mr. CROLL: Yes, you did.

The CHAIRMAN: Yes. Is there anything that any of the committee wish to ask Mr. Jamieson about before we actually proceed to the bill clause by clause? We can ask him questions when we get on that particular clause. He will be here.

It is up to the committee, but it has been suggested that we start with the bill clause by clause. Is it your wish to proceed in that way, or do you wish to hear Mr. Jamieson?

Mr. BROOKS: Mr. Jamieson will be here while we are discussing the sections. I suggest that we proceed with the sections of the bill.

The CHAIRMAN: Is that carried, that we proceed with section by section? Carried.

The CHAIRMAN: Clause 2.

2. In this Act, unless the context otherwise requires,

- (a) "child" means a child who, if a boy, is under the age of sixteen years or, if a girl, is under the age of seventeen years;
- (b) "dependent" means the wife, child or parent of a veteran maintained by him or for whose maintenance he is legally responsible and a daughter of the veteran, seventeen years or over, or other person, who, being competent to do so, has assumed conduct of the veteran's household and care of his children, and includes
 - (i) a child legally adopted by the veteran and maintained by him,
 - (ii) a step-child of the veteran maintained by him,
 - (iii) an illegitimate child of the veteran acknowledged or maintained by him, and where the veteran is a woman, having been born during service or within nine months thereafter and being maintained by her,
 - (iv) a woman who, although not legally married to the veteran was living with him at the time of his enlistment and on whose account dependents' allowance was being paid by the Department of National Defence.

Mr. ADAMSON: Why the distinction?

Mr. WOODS: That distinction has obtained in soldier legislation ever since the last 25 years.

Mr. ADAMSON: I know it has.

Mr. WOODS: It is felt that a boy is competent to earn his living at an earlier age than is a girl.

Mr. McKAY: I think the time has come when there should be some alterations made in that section. I do not know whether this is the time to do it. Very few boys of 16 are capable of making a living, nobody wishes

that, they want them to continue on at school, either technical school or college. How can they do that if they have to go out to work at 16. I know that was the intention of the Act at that time.

Mr. WOODS: It appears in the Pensions Act.

Mr. McKAY: I know it does.

Mr. WOODS: And in all the legislation.

Mr. ADAMSON: Would it be in order for the committee to recommend that the age be increased?

The CHAIRMAN: It certainly would be, but the question is it would affect all the legislation at this particularly late stage in the proceedings. I do not know that it would serve any useful purpose. I think it is something which could be studied at the sittings of this committee or such similar committee as may be constituted next year.

Mr. BROOKS: Are there not special provisions made for boys over 16 who are attending school?

Mr. WOODS: Yes.

Mr. ADAMSON: Would it be in order for this committee to recommend that?

The CHAIRMAN: That was the suggestion, that we bring in a final report recommending that this committee or a similar committee be set up as early as possible after the reconvening of parliament to continue its studies; and the understanding definitely is that these Acts we are recommending, the Veterans' Land Act and this Act, are not supposed to be our final recommendations in the matter, that we will study them further next session.

Section 2 (a) carried.

The CHAIRMAN: Subsection (b). May we carry the definition of dependents?

Carried.

The CHAIRMAN: Subsection (c).

(c) "discharge" means any honourable termination of service from the forces since the tenth day of September, 1939, and "discharged" has a corresponding meaning;

Mr. PROBE: Mr. Chairman, you are rushing along. I am trying to ask you a question on (b) in connection with the dependents allowance regulations where the wife is in receipt of partial maintenance by virtue of a separation under a legal agreement and her husband might be responsible for contributing \$50 a month to her support, shall we say, how does she fit into this Act, into this particular clause of the Act, the dependents allowance board.

The CHAIRMAN: This is only a definition of "dependent" for the purposes of these particular regulations.

Mr. PROBE: I know, but then here it says, the wife for whose maintenance he is legally responsible; now, if a man is contributing something toward the support of a separated wife by virtue of an agreement of separation, has he a legal responsibility for her maintenance; and that is the contention of this clause.

The CHAIRMAN: Yes, if he has to pay to her upkeep, then the idea is that he gets help.

Mr. PROBE: The dependents allowance board, however, does not take that stand with respect to the separated wives of men who are in the services. They do not contribute the full amount of the allowance for the rank of service men in considering dependents allowances to the wives or children of veterans in cases where the wife was legally separated.

Mr. MUTCH: In the case of children I am certain you are wrong, the children get the allowance. In the case of a separated wife, I am not so sure but I think in most of these cases where a man was separated from his wife and maintained a common law wife he does not get the allowance; the legal wife gets less if the full amount is being paid to the common law wife. I do not think there are any cases, I have never come across any, where the separated man was not maintaining somebody else. In every case I am sure that children do.

The CHAIRMAN: I fancy the same problem will arise in connection with administration of this Act, and it will have to be worked out on a fair basis. I think that the government may have an objection to maintaining two or three wives.

Mr. MUTCH: The legal limit is two.

The CHAIRMAN: Two, is it; I fancy we will have to look to the administration of that when we get into it.

Mr. PROBE: The administration of this section of the Act is different under the dependents allowance board, is that right?

Mr. WOODS: Yes.

The CHAIRMAN: May we carry (c)?

Mr. WRIGHT: How would this affect the discharges as changed by the Topp board? These discharges will simply be changed, as far as the Grants Act is concerned. I think it is quite reasonable that they should apply to this Act as well.

Mr. WOODS: As I understand, Mr. Chairman, what is termed the "Topp" board is not vested with the power to alter a discharge, it is vested with the authority when desired to arrange that an individual who may have received a dishonourable discharge may still receive the benefits of gratuities.

Mr. CROLL: Yes, but we went further than that, don't let us start getting away from it. One of the things that board was to do, and we have gone into it time and time again here, we insisted that someone should have the right to change that discharge. The services objected to that, and this committee I think unanimously, or at least I think that is the sense of it, felt that something should be done about these discharges; and, while allowing the matter to stand it was the consensus of opinion that we would come back to it again next session with the definite intention of seeing that something was done about it. We have enough confidence in Brigadier Topp that he would do what we wanted done if he were left alone or encouraged.

Mr. MUTCH: He has the authority.

Mr. CROLL: He has. We are not arguing whether he had or did not have authority; we felt that he would find a way of doing it so that in the end result the man would get his discharge. I want to make sure that the department had that very thing in mind so they too would encourage it, so that we would not have the need of going over it again next year.

Mr. WOODS: As I recall it, our understanding of it is this committee has not yet crystallized its views as to what should be done with respect to discharges. At the last session of the committee, I do not think any specific recommendation has yet occurred from this committee as to what machinery should be provided for changing the procedure, if it is to be changed.

Mr. MUTCH: With the first part of that I take some exception, with the second part, none. I think it is perfectly clear, Mr. Chairman, that the consensus of opinion of this committee is that something should be done so far as we are concerned we are not yet in a position to recommend to parliament how it is going to be done, but we are hopeful that between now and the

time when we meet again we will be able to figure out some way whereby it can be done. I do not think there should be any doubt in the minds of the department officials as to the consensus of the view of this committee, that it not only should but must be done. How, we do not know yet.

Mr. Woods: That is what I meant when I said I do not think this committee has yet crystallized their views as to how it should be done.

The CHAIRMAN: Even if the services persisted and maintained their position in the judgment of parliament that their discharges should not be in any way changed, we in our recommendations as to the application of the re-establishment legislation might very well say that we—I am not saying that we should attempt to write it into this bill—but we might very well say at some time or other, that where the board of review (the Topp board) recommend that a man's service was sufficiently good that he should receive the benefit of gratuity and re-establishment credit he should also get the benefits of the Veterans' Land Act and related legislation.

Mr. Mutch: Of all the rehabilitation legislation.

The CHAIRMAN: We could probably include a reference to that in our final recommendation to parliament. It seems to me that the same document which would apply in respect to gratuity and re-establishment credit should also apply in regard to his getting re-established in civil life. I think exactly the same argument applies, but it would change in all these different Acts; it means, of course, persuading the government to undertake that extra financial responsibility; and there is even a question as to whether a resolution like that should be entertained by this committee. I lean to the view myself that we have the right to make a recommendation of that nature, but not the right, of course, to move its adoption in parliament.

Mr. Mutch: It amounts to this, that because some one gets drunk and slugs a corporal he is not suited to be a soldier settler.

Mr. Merritt: It seems to me that Colonel Croll's point applies not only to the department, but to the minister and the government; and when we come back in the spring we should find that these gentlemen concerned with the departmental administration have succeeded in tying up matters between the different departments concerned. The government should be prepared as soon as possible to produce some practical plan to meet the expressed desire of the whole committee. I do not see that it is up to us to work out the practical details. I do not think we are capable of it.

The CHAIRMAN: I think that is right, Mr. Merritt; I think if this committee could see its way clear to make a recommendation to the government that consideration would be given to it in the interval.

Mr. Wright: Why not amend this (c) to make the discharge mean the same thing as in the War Service Grants Act?

The CHAIRMAN: It would not help us, Mr. Wright, because discharges of the War Grants Act would still stay where it was, and we gave the appeal board power to say that in spite of the discharge for misconduct they could award the gratuity and re-establishment credit. We would have to have some clause in this bill, and also in the Veterans' Land Act, that the board might make a ruling the same as has been provided for in the Gratuities Act, or we might recommend that the same ruling be applied in regard to all Acts. That seems to be the simplest way, to have one board decide whether a man gets the benefit of rehabilitation legislation.

Mr. Mutch: Obviously we cannot have different boards deciding whether the same man shall benefit under one Act, they might throw him out under another one.

The CHAIRMAN: I think that is one of the main recommendations which we should consider before we get through this year, so they will be able to have it before them during the recess.

Mr. WRIGHT: Why not put a clause right in this Act that the board's decision should be applicable to this Act?

Mr. CROLL: This is a matter which relates to discharges, and the question of discharges is not being considered at the moment. We will not be able to consider that until we come back at a later time.

The CHAIRMAN: The only suggestion I have to make with respect to this clause is this, that the matter of a definite policy with respect to it has not yet been formulated by the government, and if we write something into this Act which has not yet been approved of by the government, obviously that would not advance the cause that we are working for.

Mr. MUTCH: Well, a bill that we have reported has been passed in the form of an Act, and we have the precedent of approval in the War Service Grants Act passed by parliament.

The CHAIRMAN: If we try to write this into the Act it would have this effect; supposing 15 per cent of the 4,000 who got dishonourable discharges are now found to be entitled to the benefits of this Act: If we put a clause in which would make the ruling of the Topp board apply in this Act we would be putting the government under financial obligation to provide these benefits to the 4,000 people.

Mr. MUTCH: That would be the intention.

The CHAIRMAN: And the question arises right away as to whether this committee has the right to attempt to put a financial obligation on the government. My feeling is that we can make a recommendation that the government should consider doing that, but if we try to put it in the bill I am satisfied it is out of order, and certainly it would not help us.

Mr. MUTCH: I admit the workings of the legal mind are far beyond ordinary comprehension but I cannot see any difference between putting it in this Act and putting it in the other one.

The CHAIRMAN: The difference is because the government...

Mr. MUTCH: It is going to cost them money in the other Act. They accepted that. A man cannot be half virtuous and half sinner. He is either white or black. There are no greys. I do not know if I am right but I should like someone to explain to me in ordinary understandable English why what is all right in one bill is not all right in the other.

The CHAIRMAN: I am not saying it is not. I am saying that in the one case the government accepted the principle and in the other case they have not yet accepted it. I am saying furthermore that if this committee sees fit to recommend it I am sure that the government will give every consideration to it, but I am saying that if we try to put it into this bill before the government have had a chance to accept it we may get into trouble.

Mr. CROLL: But the government have accepted it.

The CHAIRMAN: The government have only accepted it in regard to gratuities and re-establishment credits.

Mr. MUTCH: Oh, Mr. Chairman...

The CHAIRMAN: That is quite clear to anybody who knows the legislation.

Mr. MERRITT: Let us allow the subsection to stand until the government does approve the principle.

The CHAIRMAN: They are very busy now.

Mr. CROLL: Let us get on with it. Let us leave it alone until we get back. I move that it carry.

Mr. MUTCH: If the Topp board is going to decide that a man is virtuous under one Act and not under the other then either the government is hopelessly inconsistent or we are all nuts. I do not know which.

Mr. WOODS: The definition of discharge is precisely the same in this Act as in the War Service Grants Act which you have just passed.

The CHAIRMAN: What we have done in the War Service Grants is simply to say that a board should be set up and that regardless of discharge for misconduct they should get the gratuity and re-establishment credit. In all these other Acts the benefits depend upon a good discharge. I am not arguing against it. I am not saying that we should not apply the same principle to these Acts, but I am saying that the government has not yet accepted that principle.

Mr. CROLL: Carried.

Mr. MUTCH: I will retain senior counsel and come back.

The CHAIRMAN: May we carry that?

Mr. GAUTHIER: Before going too far I should like to have an explanation about Nos. 3 and 4 of section 2(b). Do I understand that the action of the committee will legalize and put on the same footing as legal children and legally married women an illegitimate child and a woman not legally married?

Mr. WOODS: We are just following the practice which has been established during the man's service by the dependents' allowance board.

Mr. GAUTHIER: I do not care about that. I want an explanation. I want somebody to tell me the philosophy which has ruled in the adoption of these two clauses.

Mr. CROLL: Just one moment. The philosophy behind No. 3 is that it is not the child's fault but the fault of the father. It is an illegitimate father and not an illegitimate child. Therefore, we cannot take it out on the child, and consequently we give the child all the benefits that any other child would get. I think that is the philosophy.

Mr. GAUTHIER: It is pretty good but it is not complete. You are legalizing a vice.

Mr. MUTCH: Indiscretion is a better word.

Mr. GAUTHIER: It is bad; it is immoral because you are encouraging the soldier—

Mr. CROLL: No.

Mr. GAUTHIER: You certainly do. He has plenty of encouragement besides that in the distribution of these devices. You are telling the soldier that if he lives illegally with a woman and if he has illegitimate children, they will be put on the same footing as a legally married woman and legitimate children. It is not fair for those who follow the rule of good morals.

The CHAIRMAN: I am not familiar with the civil law of Quebec but I am fairly certain that under it the father must maintain his illegitimate child. Is that not correct?

Mr. GAUTHIER: Yes.

The CHAIRMAN: And being under that legal obligation to maintain his illegitimate child we say to that man during the time that he is getting re-established that we will assist him to carry out that legal obligation. That is all that amounts to.

Mr. MUTCH: Just as during the period of his service we take a fair percentage of that burden.

Mr. WOODS: It only applies to a child who was born or conceived during service.

The CHAIRMAN: When the civil law says that a man must maintain his illegitimate child they are recognizing the fact that he should do that, and the government is assisting him to do that while he is training for re-establishment. That is all that amounts to.

Mr. GAUTHIER: You put in his mind that he can do anything immoral and the woman and the children will have the same advantages as a legally married woman and legal children.

The CHAIRMAN: The moment his training is completed he has got to assume his legal obligation of maintaining them himself. All you are doing is you are helping him to carry out his legal obligation while he is taking this training.

Mr. GILLIS: What is the legal obligation of that man to that woman under civil law once he is out of the service?

The CHAIRMAN: That is a matter of the law of the different provinces. Different ones have different ways of enforcing it.

Mr. GREEN: There is one other point with regard to section 2, subsection (b). What happens in the case of a child being kept by the father which child may not have been adopted. In legal terminology we use the words "*in loco parentis*". Some of the dominion legislation provides for such a child. I think they had to amend the Succession Duties Act to say that a child being kept by a person—

The CHAIRMAN: Is recognized as a child.

Mr. GREEN: —gave him entitlement to the exemption although the child had not been formally adopted. There are many cases in which the child cannot be adopted and yet is being cared for by some person. I think it should be widened to include children of that type.

Mr. CROLL: It says that it means the wife, child or parent. You think that is referring to his own child rather than one *in loco parentis*.

Mr. GREEN: It might be broad enough if they did not go on in clause 1 to define it and say a child legally adopted.

Mr. CROLL: That is a good point.

The CHAIRMAN: In regard to succession duty, of course, we are all familiar with those cases where a child is taken into the home and they never go through the actual form of legal adoption. Then it is ruled that they are strangers in blood and you have all the rules which apply to that situation. There you were looking back at the expiry of several years but the difficulty of applying this would be that somebody might take a child into his home and say, "I am looking after this child", and what could you do about it? I can see that there is a difference in regard to administration.

Mr. MUTCH: I think I can give you a case that illustrates Mr. Green's point. I know a family who have two refugee children from Europe for whom no parents have ever been discovered and it is completely unlikely that they ever will be. I understand that up to now there are difficulties in the way of formal adoption although eventually after two or three years they were able to get some consideration in respect of income tax. That man is a veteran of the last war. Would he be ruled out under the Act as it stands now?

Mr. GREEN: Yes.

Mr. MUTCH: I do not think it is a general thing, but it is conceivable. There are people who bring up the children of their deceased brothers and sisters.

Mr. GREEN: They are not covered under this.

Mr. MUTCH: Where they cannot get adoption papers.

The CHAIRMAN: Even in the case you have mentioned the remedy is that in all provinces they could get very cheaply letters of adoption.

Mr. MUTCH: Without the consent of the natural parent or legal guardian?

The CHAIRMAN: I think in most jurisdictions if the whereabouts of the parents are not known that consent can be dispensed with. I am satisfied that is the case in most jurisdictions. I think it might lead to difficulties in administration. That is what I am told by the deputy minister.

Mr. MUTCH: They are not sufficiently numerous that we cannot wait and see how it works out.

The CHAIRMAN: I realize there is that trouble.

Mr. CROLL: We are all agreed that when we pass it it will not be a perfect Act. Let us get on.

The CHAIRMAN: Can we carry subsection (c)?

Carried.

Subsection (d) is:

"'forces' means the naval, military or air forces of His Majesty."

Can we carry that?

Carried.

Subsection (e) is:

"'rehabilitation grant' means 'The Rehabilitation Grant' designated by the Orders in Council of December 19, 1940 (P.C. 7521), February 5, 1941 (P.C. 890), May 19, 1941 (P.C. 3544), April 4, 1944 (P.C. 2349), and October 2, 1941 (P.C. 6358)".

That is the thirty days pay. May we carry that?

Mr. CROLL: I do not know what it means. What about all these orders in council?

The CHAIRMAN: I think those refer to the different services.

Mr. WOODS: This is the thirty day rehabilitation grant given by the services.

Mr. BROOKS: Would it not be better to say that and not put in all these orders in council?

Mr. GUNN: I may say, Mr. Chairman, that this thing comes from the Department of Justice, and while it may look rather cumbersome it is exact and precise. More general language might get us into difficulties.

The CHAIRMAN: This rehabilitation grant comes up in regard to the out of work benefits payment.

Mr. WOODS: It identifies it with certainty.

The CHAIRMAN: I do not see any harm in it. I think that is the only place it does arise, in connection with the out of work benefits. Is that not all, General Burns?

General BURNS: I think the point is you cannot pay any of these allowances while a man is drawing his rehabilitation allowance. That is the thirty days pay he gets for the thirty days following his discharge.

The CHAIRMAN: That is the purpose of it. I do not see any harm in it.

Mr. CROLL: There may not be any good either.

The CHAIRMAN: We could put in each section of the Act that this was not to be paid while he was in receipt of the rehabilitation grant as provided by order in council. Then there might be some doubt as to what rehabilitation grant might mean. May we carry that?

Carried.

Subsection (f) is:

“‘Minister’ means the Minister of Veterans Affairs.”

May we carry that?

Carried.

Subsection (g) is:

“‘out-of-work allowance’ means an allowance paid to a veteran under section five of this Act.”

Mr. GILLIS: Does that have any reference to the out of work benefits being paid?

The CHAIRMAN: Under section 5.

Mr. GILLIS: I should like to say that while it is all right to write this into an Act I think the machinery to pay the out of work benefits requires jacking up considerably. It is very slow in the section of the country I come from. I should like to leave this thought with the deputy minister that I think the staffs you are hiring to do the work are very inadequately paid. You are drawing into these offices a very good type of man but you are placing them on an impossible salary. I know some of them personally myself. They are not working eight hours a day. Most of them are working fourteen and fifteen hours a day and taking their work home with them. They are badly understaffed. I do not see how you can expect a man of the calibre you need to do that kind of job to work for around \$156 a month and also pay a lot of his expenses in running around. Most of them that I know are married men, and I think that some consideration should be given to jacking up the salaries to make them commensurate with the work that these people have to do.

Mr. WOODS: May I ask Mr. Gillis, Mr. Chairman, if he is referring to our staff?

Mr. GILLIS: They are rehabilitation officers.

Mr. WOODS: In the employment offices?

Mr. GILLIS: No, I mean these rehabilitation officers: the people who meet the soldier first, classify him, examine him for vocational training, work on his gratuity and his credits. That all has to be done through these rehabilitation officers. Generally they have to find work for the man. The whole staff is employed in the rehabilitation officers. I am speaking about the one in Sydney, Nova Scotia, that I know pretty well and meet with quite often, and I have seen them working. I think one of your big difficulties is going to be holding the calibre of men that you have got now for the salaries that are paid.

The CHAIRMAN: I understand you are getting these unemployment benefits out in forty-eight hours.

General BURNS: I would not say that is the case; that is what we are aiming to do. If you wish, Mr. Chairman, someone might give evidence about the procedure.

Mr. MUTCH: Not at this stage.

The CHAIRMAN: In case it might be of interest, General Burns prepared a statement of procedure, and as every member of the House is probably going to be asked about this matter I think it would be a very good idea if General Burns had that statement mimeographed and distributed to the committee.

Mr. CROLL: Put it on the record. We will have reference to it then, and it will be useful.

The CHAIRMAN: It was a statement with regard to the procedure employed by anyone who wanted to get out-of-work benefits—the actual procedure for

getting them, and how they are awarded. I suppose we are all going to be asked questions about that, and perhaps the suggestion of Mr. Croll to put the statement on the record might be a good one.

Mr. BROOKS: I would like to have General Burns explain it to us now, if it does not take too long. If it is in the record it is going to take three or four days to come to us, and perhaps we are too busy to read it or we do not look it over as carefully as we should.

The CHAIRMAN: Is it the wish of the committee to hear that statement read now? Very well, General Burns, please proceed.

Major-General E. L. M. BURNS, recalled:

The WITNESS: Mr. Chairman, under the post discharge re-establishment order provision is made for out-of-work benefits to be paid to a discharged person for any period during which that person is capable of and available for work but unable to obtain suitable employment. This benefit may be paid up to a maximum of fifty-two weeks within the eighteen-month period after discharge, exclusive of any time which the discharged person was a patient or out-patient of any hospital or health institution or was in receipt of a grant under this order awarded because of temporary incapacitation.

An ex-service person may apply for this benefit at any district rehabilitation centre maintained by this department and any office of the National Employment Service or through local citizens' committees or veterans' organizations. If none of these contact points are available, a request may be made by mail.

No application would be considered—(a) if the period of entitlement is expired as outlined above; (b) for the period covered by the rehabilitation grant, that is, the first thirty days after date of discharge; (c) for the first nine days of unemployment (whether continuous or not); (d) while employed; (e) while residing outside of Canada; (f) if disqualified by the circumstances outlined in section 43 of the Unemployment Insurance Act—i.e., if he has lost his employment by reason of a stoppage of work due to labour dispute in which he participated or was financially or directly interested in, or has refused to accept a suitable situation offered to him—these provisions are the same as under the equivalent benefit under the Unemployment Insurance Act—and (g) from an ex-service married woman if her husband is capable of maintaining her and is under legal obligation to do so.

An application form must be completed where out-of-work benefits are sought. This application form (as per copy attached) is divided into three sections. Section I, consisting of nineteen items, asks for pertinent information required by the district rehabilitation board when considering the case. Section II is a statement signed by an authorized person to the effect that the applicant has been interviewed, his discharge certificate examined, and that there is no work available that he could perform. Designated signatories to this section are:

- (1) The veterans' welfare officer or other officer of this department;
- (2) The manager or delegated official of the National Employment Service;
- (3) The Supervisor of the Veterans' Land Act;
- (4) The magistrate or justice of the peace;
- (5) The president or secretary of the Canadian Legion or other veterans' organization;
- (6) The nearest postmaster.

An attempt must be made on the part of the applicant to secure a signature from this designated group in the order of priority shown above.

When Section II has been completed, the application is passed to the nearest district rehabilitation board of this department who give consideration

to the application and may utilize existing documentation or expressions of opinion from specially qualified officials such as a medical officer before the application is authorized or declined.

Out-of-work benefits may not be approved for more than a two-week period at a time. If employment has not been secured within that period the case must again be reviewed by the rehabilitation board and renewed if necessary, notification of the renewal being made on a W.D. 3 form, (copy of which is attached).

In districts where there is a rehabilitation centre an official of National Employment Service shall ascertain as to whether or not suitable work is available. If not, application for out-of-work benefits shall be certified to that effect and passed to the rehabilitation board for action. In districts where there is no rehabilitation centre, but where there is a National Employment Service office, the veteran shall make application through that office and if no suitable work is available the veterans' officer shall certify Part II of the application to that effect and pass it to the nearest rehabilitation office for action. In outlying districts where there is neither a rehabilitation centre nor a National Employment Service office the veteran shall have Part II of the application certified that no work is available by any one of the responsible parties listed thereon and shall forward the application to the district rehabilitation office for action.

The rehabilitation board, when out-of-work benefits are authorized or declined, must attach signatures to Section III of the application form—that of the chairman and/or another delegated official, along with that of the secretary of the board. If the benefit is authorized the rate per week must be inserted and the number of weeks and the effective date of the commencement of the award; if the application is declined, the reason for declining must be stated.

Under existing arrangements it is not necessary to hold a formal rehabilitation board meeting in order to implement out-of-work benefits. The official designated to receive applications for out-of-work benefits may sign Section III along with the secretary of the board in order to facilitate speedy payment.

One copy of the completed application form, signed by the appropriate officials, is passed to the district treasury officer who issues cheques one week in arrears from the date of application. These cheques are sent to the acting chairman of this board for distribution, who, in turn, passes the cheque to the responsible party who signed Section II. Before that signatory to Section II issues the cheque he must satisfy himself that the man has not been working during the period covered by the cheque, in which case he completes a W.D. 6 form which states that no work is available and that the man has received his cheque. This form is passed back to the rehabilitation centre as a receipt and an acknowledgment.

The rates payable for out-of-work benefits are \$50 per month for a single man and \$70 per month for a married man plus \$12 each for the first and second child; \$10 for the third child; \$8 for the fourth, fifth and sixth child. For person in lieu of wife \$20 per month; and additional amounts for dependent parent of \$15 per month. The total award may be diminished by any pension, wages, salary, unemployment insurance benefits or other income the discharged person may be receiving except other income not in excess of \$20 per month.

Mr. Mutch: Does that apply to family allowances?

The Witness: No. These deductions include compensation in payment under the Workmen's Compensation Act, but do not include allowances under the Family Allowances Act. Out-of-work benefits do not in any way affect or reduce the veteran's re-establishment credit.

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The ideal towards which this department is working, benefits shall be paid within forty-eight hours after received, keeping in mind the geographic limitations of facilities available.

It has not yet been possible in all cases to get near that, there have been delays greatly in excess of that in some cases trying to eliminate.

By Mr. Brooks:

Q. The deduction would be issued in Ottawa?—A. No, through the districts.

By Mr. Probe:

Q. I understand General Burns to say that the cheques were paid one week in arrears after the nine-day waiting period; is that correct? That would mean that a man unemployed would have to wait sixteen days at least for his first cheque?—A. Yes, it would be dated at that date.

Q. And then from there on payments would be automatic if he kept out of work and reported by mail or in person. It is important that he report by mail. If it is done in person it is going to be quite expensive in cases where he is living in an outlying community. What is the procedure on that?—A. They are issued two weeks at a time, Mr. Chairman, and it is provided here that applications are made by mail if he is not convenient to any of the offices which I mentioned, and in that case renewals would be made in the same way.

By Mr. Gillis:

Q. Would that cheque be mailed out to the applicant? I know of cases myself where a boy had to travel to the centre, about 180 miles, in order to have that done but by the time he got home he was in debt.—A. I should say it is definitely wrong.

Mr. McKAY: How many of these rehabilitation points have been established across the country? Have you any figures on that? Have you their locations? I think we should have that definitely in mind.

Mr. Woods: One in each district office of the department, Mr. Chairman.

Mr. McKAY: How many is that?

Mr. Woods: The offices are listed—twenty-three, I think it is. We will put them in the record, if you wish.

The CHAIRMAN: They are listed in that return to civil life.

Mr. McKAY: There are some blanks in the last booklet I received—where they did not establish them, apparently.

Mr. Woods: We will be pleased to put the offices in the record. We will cite them now, if you wish.

Mr. Mutch: Put them in the record.

The CHAIRMAN: May we carry section 9?

Mr. Probe: There are several questions which should be asked. These out-of-work benefits were framed largely along the lines of the Unemployment Insurance Benefits Act. In the case of a single person he received \$50 a month by way of out-of-work benefits and yet the Act itself permits \$14.40 a week, does it not? Or maybe I am wrong in that figure. What is the maximum permitted under the Unemployment Insurance Act for a single person?

Mr. Woods: \$14.20 for a married person or \$52.40 per month.

Mr. PROBE: My question does not apply there. The point was that I had hoped the out-of-work benefits would not be less than they could draw under the unemployment insurance benefits.

Mr. WOODS: They are more in every case.

Mr. PROBE: That is fine.

Mr. WOODS: The reason we broke away from the Unemployment Insurance Act was that we were no longer able to provide veterans, in our judgment, with adequate sustenance at those scales; so we broke away entirely and adopted a new formula. In all cases our benefits are higher than the maximum under the Unemployment Insurance Act.

Mr. McKAY: There is one more question I wish to ask and I am finished; it is in reference to suitable work. I think General Burns made reference to the fact that this was payable to an individual who could not find suitable work. Am I correct in using that terminology?

The WITNESS: Yes. That is correct.

Mr. McKAY: Who determines what is suitable work for that individual? Is it the board?

The WITNESS: As a rule, the same person that determines it under the Unemployment Insurance Regulations.

Mr. McKAY: They are using the same method?

The WITNESS: Yes.

Mr. GILLIS: May I leave a suggestion with you, General Burns. I think a great deal of the delay is in the central district office getting the cheques out. Where there is a rehabilitation office set up and applications are made there, and the personnel in that particular office know the problem and what suitable employment there is, is there a possible chance of having that cheque issued from that office rather than completing the form there, mailing it four or five hundred miles, having it dealt with by another board who are not familiar with the possibilities in the district and wait for the cheques to come back? There are weeks of delay. I think it would expedite the work if the local offices, which have competent staffs, could handle their own problems locally and issue the cheques.

Mr. WOODS: Our local offices do issue the cheques, Mr. Chairman, in every district, in every office we have, I believe, with the exception of Sydney; and we only are just building that office up now. If it is possible to institute treasury facilities there later, we will do so. We will have to consult treasury first. In every other office we have in the dominion they are issuing cheques.

Mr. GILLIS: It would help the situation out very considerably if that could be done.

Mr. WRIGHT: I do not just quite understand the procedure here. There are places where a veteran is a long distance away from any of these offices, for instance in Saskatchewan, there is an office in Saskatoon and one in Regina. Up in our country we are 200 miles from there. If there is a young chap there out of work, what is the procedure in order for him to get these benefits? Is there anybody locally that he can make application to and get his position certified?

Mr. WOODS: General Burns outlined the procedure. If we have an office in the vicinity, he goes to the office. If we have not got an office, he listed the different officers before whom the individual may appear and complete his application. Employment officers, for example, in any employment will take his application. If there is no employment office, he can get his application certified by a branch of the Legion, the mayor or the reeve.

Mr. MUTCH: Or any postmaster.

Mr. WOODS: Yes, or any postmaster. Then he can mail it in.

Mr. WRIGHT: That is the information that I wanted to get. I just wanted the names of the officials he could get his papers certified by.

The CHAIRMAN: May we carry that?

Some Hon. MEMBERS: Carried.

Paragraph (g) agreed to.

The CHAIRMAN: The next is "period of service". That is paragraph (h). It reads:

" 'period of service' means the time in respect of which gratuity payable under section three of the War Service Grants Act, 1944, is computed."

That will have to be changed, perhaps, although it would be quite clear. Is that carried?

Some Hon. MEMBERS: Carried.

Paragraph (h) agreed to.

The CHAIRMAN: The next is paragraph (i), "regulation". It reads:

" 'regulation' means a regulation made under this Act."

Is that carried?

Some Hon. MEMBERS: Carried.

Paragraph (i) agreed to.

The CHAIRMAN: The next is paragraph (j), "Unemployment Insurance Commission". It reads:

" 'Unemployment Insurance Commission' and 'Unemployment Insurance Fund' have, respectively, the same meaning as in the Unemployment Insurance Act, 1940."

Does that carry?

Some Hon. MEMBERS: Carried.

Paragraph (j) agreed to.

The CHAIRMAN: Then paragraph (k), "veteran". This is the definition of "veteran". It reads:

" 'veteran' means

- (i) a person who has been on active service in the Canadian forces or in receipt of active service rates of pay from such forces during the war, including a person who has served in the Canadian Women's Army Corps since the thirteenth day of August, 1941, and
- (ii) a person resident in Canada who served in the forces of His Majesty other than Canadian forces and was domiciled in Canada at the time he joined any such forces for the purpose of the war, and who has been discharged from such forces."

Mr. MUTCH: In this definition it says "a person resident in Canada". That is resident in Canada subsequent to his war service?

The CHAIRMAN: That is at the time he applied for these benefits.

Mr. MUTCH: Oh, yes.

Mr. MUTCH: And domiciled there before?

The CHAIRMAN: Yes.

Mr. FULTON: Mr. Chairman, would you explain "in receipt of active service rates of pay from such forces during the war"? Would you explain the purpose of that?

The CHAIRMAN: Will you give us an explanation of that, Mr. Woods?

Mr. WOODS: Mr. Chairman, I think that is to distinguish between those units and individuals who were mobilized for active service and the non-permanent active militia who were not mobilized. You will recall that when the N.R.M.A. were first called up, they were called for 30 days. They did not receive active service rates of pay and that 30 days does not count towards to benefits of the Act. If later they were called up and were given active service rates of pay, that service does count.

Mr. MUTCH: Primarily, is it not to protect those who were called up under G.O. 139?

Mr. WOODS: Yes.

Mr. GREEN: Why do you include the words, "a person resident in Canada" in the second paragraph? Further down in the same paragraph you have a restriction that they must have been domiciled in Canada at the time they joined those forces. Is that not sufficient?

Mr. WOODS: This refers to their being resident in Canada when they are recipients.

The CHAIRMAN: When they apply for these benefits.

Mr. GREEN: Does the restriction apply also to a person who served in the Canadian forces?

The CHAIRMAN: No. Just to those in other than Canadian forces.

Mr. GREEN: That is, a Canadian who even is demobilized in England is entitled to these benefits?

Mr. WOODS: No, he is not.

The CHAIRMAN: That is another section.

Mr. WOODS: You will come across that later. He must reside in Canada while drawing the benefits. It is held that we cannot make out-of-work benefits, benefits while temporarily incapacitated and so forth, available in other countries.

Mr. GREEN: I still do not see why you have to put in both "a person resident in Canada" and "who was domiciled in Canada at the time he joined any such forces."

The CHAIRMAN: You will notice that the first section has reference to a person who has been in the Canadian forces. That is the definition of "veteran" there. Then the second type of veteran is the person who is now resident in Canada and who served with other than Canadian forces and who is domiciled in Canada at the time he joined such forces.

Mr. GREEN: Under paragraph 1, the applicant has to be resident in Canada, actually.

The CHAIRMAN: No.

Mr. GREEN: There is some further provision.

The CHAIRMAN: Well, only in regard to certain features of the Post-Discharge Re-establishment Order. As the deputy minister said, that is restricting payment of out-of-work benefits; but there are some benefits which a person can draw who is not actually residing in Canada.

Mr. GREEN: In other words, does that add up to this, that a boy who enlisted in the R.C.A.F. would get certain benefits and the boy who enlisted in the R.A.F. cannot? That is, suppose they both come back, both are demob-

ilized and both go to the United States. The boy who was in the R.C.A.F. gets certain benefits and the boy who was in the R.A.F. does not. Is that what that means?

The CHAIRMAN: I think it would have that effect.

Mr. GREEN: How do you justify that?

The CHAIRMAN: Just the same as when a man goes into the Imperial army, you do not give him exactly the same benefits as you do if he goes in the Canadian army.

Mr. GREEN: But surely one is a Canadian just as much as the other. The lad who served in one of the other forces must have been domiciled in Canada under this section, and I agree with the restriction.

Mr. MUTCH: You do not quarrel with "domiciled", but you are quarrelling with "resident".

Mr. GREEN: Yes.

Mr. MUTCH: Does it not come to this: this Act covers various rehabilitation benefits. For instance, take the Canadian who was living in Canada, went over shortly before the war and joined the R.A.F. and served with them throughout. If he comes back to Canada, or whether he comes back or not, on discharge he gets his rehabilitation grant, 30 days' pay. But take the item we have just been dealing with, out-of-work benefits. It has been held that out-of-work benefits cannot be applied outside of the area of Canada. It is out of work in Canada.

Mr. GREEN: No, university training.

Mr. MUTCH: I do not know which one, but there are some. The purpose I presume, is to allow for that distinction. As I understand it, he is not deprived, for instance, of his rehabilitation grant, which is one of the benefits.

Mr. GREEN: No. But he is unduly restricted. I do not see why that restriction should be put on a lad who happened to join the R.A.F.

The CHAIRMAN: Have you any explanation of that?

Mr. GUNN: Mr. Chairman, may I invite your attention to clause 15 of the bill. This is a new provision and it was introduced as a result, to some extent, of the discussion that took place in this committee a few days ago, at which time the deputy minister stated that negotiations were in progress with regard to taking care of persons residing outside of Canada. Clause 15 reads:

Except as provided by regulation, no allowance may be paid under this Act to or on behalf of any veteran who resides out of Canada.

Looking at that clause and considering it in relation to paragraph (c) of clause 21 which enables—

Mr. GREEN: Where is clause 21?

Mr. WOODS: On the back of the sheet, the last page.

The CHAIRMAN: Page 10.

Mr. GUNN: That enables the minister with the approval of the Governor in Council to make regulations not inconsistent with this Act, "to prescribe the conditions on which allowances payable under this Act may be paid to persons not resident in Canada." Perhaps that satisfies the objection.

The CHAIRMAN: In every case it must be a veteran. In the case of a person who joined the R.A.F. or the Imperial forces, if he is not now a resident in Canada, he does not satisfy the basic condition of being a veteran, so you could not help him; whereas you could help a person who joined the Canadian forces. That is Mr. Green's point, as I understand it.

Mr. GREEN: Yes. That is my point.

The CHAIRMAN: Apparently that is done purposely to give more preference to the persons who went into the Canadian forces than those who went into other than Canadian forces.

Mr. BROOKS: Is the point not this, that there are certain benefits which we think they should receive, and certain benefits which they should not receive, and you cannot make a section that will cover both of them.

Mr. WOODS: That is right.

Mr. CROLL: Oh, no.

Mr. MERRITT: If what the Chairman has just said is the reason behind this distinction, I take great exception to it indeed. I do not see any reason in the world why a domiciled Canadian who joined the Imperial forces should not get the same benefit as one who joined the Canadian forces. I am quite sure that most of those who did that made no distinction between the two forces. They both felt they were serving the Crown, and I believe that such a distinction should not be made. The provisions that are in section 21 and section 15 refer to the practical difficulty of paying certain benefits outside the boundaries of Canada, and I entirely agree with those. But this puts a definite penalty upon the man in respect of his services and not in respect of the nature of the grant at all. I think those words "resident in Canada" should be struck out and I so move.

The CHAIRMAN: There is just this about it, Mr. Merritt. At the time he applies he must be resident in Canada. If they are struck out, you might have this situation. A person who was domiciled in Canada might go and join the R.A.F. and never return to Canada or have any intention of returning to Canada. Would you say that he should have the same rights as the person who returns to Canada and lives in Canada?

Mr. MERRITT: No. But under section 15, as the solicitor has just pointed out, those cases could be provided for by regulation.

Mr. GREEN: He is knocked out anyway.

Mr. MERRITT: He is knocked out under section 15. You could strike out those words on the ground that they are simply redundant to section 15 anyway. The principle is the thing I object to.

The CHAIRMAN: Once you give the basic right to this, then of course the regulations only say under what conditions it shall be paid. I think the intention was to say that a person who joined the Canadian forces is actually a veteran within the meaning of the Act. A person who joins other forces must be domiciled in Canada at the time he joined them and also be a resident at the time he applies for the benefits. Then, of course, if you satisfied those conditions, you can provide that he gets training outside of Canada in the case of universities; but if you add that in, then how can you differentiate between a person who goes to join the R.A.F. and intends to remain in Great Britain for the rest of his life and applies for the same benefit as the man who went into the Canadian forces and wants to take training in Great Britain.

Mr. GREEN: Yes, but the man who remained in the Canadian forces could be demobilized in Britain the same as the other fellow and have no intention of coming back to Canada.

The CHAIRMAN: That is right.

Mr. GREEN: These boys are both Canadians and at the time they were enlisted they were domiciled in Canada. I do not think it is fair to make that distinction between them.

Mr. WOODS: I wonder if I might explain how this arose. It was pointed out to us that there were Canadians in Great Britain who had been there for two or three years before the war broke out. Then they enlisted in the R.A.F. We decided to give them the benefit of the doubt and even if they had not resided in Canada for two or three years before the war we would still, if it was their

intention to return here, consider them to have been domiciled in Canada at the time of their enlistment. But, in order to ensure that they were genuinely domiciled in Canada it was decided to provide that they resume their domicile reasonably soon after they completed their service. In order to secure their benefits they would have to recontinue their Canadian domicile.

Mr. REID: You do not make that same provision where they joined the Canadian forces.

Mr. WOODS: No, because with the Canadian forces the question of domicile does not arise. You might recall also, gentlemen, that this same section appears in the War Service Grants Act, where it refers to paying gratuities to those who joined His Majesty's forces it requires that they be resident in Canada. That is in section 17, I think.

Mr. KIDD: May I just have one point on this question of domicile? Do I understand that a boy who proceeded in 1938 or 1939 to join the R.A.F., that the term "Canadian domicile" applies to him; is that right? Whether he is in the old country or Canada?

Mr. WOODS: Yes.

Mr. KIDD: Then we have the boy who has joined the R.A.F.—I could name several boys who came to see me in Kingston—those boys enlisted here in Canada and proceeded overseas in the R.A.F. "Domicile" appears to have two categories.

Mr. GUNN: Yes.

Mr. GILLIS: What I am trying to get clear is this; first, I do not think you can pay rehabilitation allowances to men who are domiciled in another country. If my memory serves me right, there is a reciprocal arrangement between Canada and Great Britain, that is for British nationals serving in the Canadian army and so forth—whatever benefits would be paid in the old country would apply in Canada, to enlistees in Canada taking their discharges in the old country. If the British government set up this kind of machinery he immediately becomes a part of it; has taken courses and has his service partially in Britain. On the other hand, Canadian nationals who were two or three years in Britain previous to the war, coming back to this country to take up their domicile, immediately come under these regulations as the order in council says. I think the wording of the bill is the only practical way of handling it; this man who is domiciled in the country and comes within the regulations for out-of-work benefits and so on—it would be impossible for you to administer that kind of machinery in this country if a man resided in the old country. I cannot follow the argument of the member for Vancouver-Burrard (Mr. Merritt) because I do not think it is a practical argument. I am sympathetic and I want to get the service man everything that is coming to him. At the same time, I do not think you can provide war veterans' rehabilitation allowances for a man who is residing in another country.

Mr. MERRITT: You are doing it in sub-section 1.

Mr. GILLIS: No, you are making the regulations available to people who served in the British forces provided they undertake to take up domicile in Canada.

Mr. MERRITT: If they served with the Canadian forces and stayed in Canada, in sub-section 1; why not be consistent?

Mr. GILLIS: If they are in there, I do not see how you could do anything else.

Mr. MERRITT: Why not add, resident in Canada, in sub-section 1, bringing it in line with what you have in sub-section 2? Why not have them the same?

Mr. GILLIS: There is something in that. I understood the argument advanced a moment ago to be that this out-of-work benefit should be made applicable to the old country.

Mr. GREEN: This section only defines what "veteran" is. The other sections provide what he can get, they take care of the man out of Canada.

The CHAIRMAN: The question is quite clear, anyone who joins the Canadian forces, we say that we can provide for him. We take it for granted that he is a resident of Canada. We cannot provide for him to take a university course elsewhere. But then in regard to a person who goes and joins the forces of Great Britain, and by a generous interpretation of the word "domicile" bring him in there, we then say that before we will pay for his education in Great Britain he has got to be a resident of Canada when he applies for it. In other words, if a man goes over to Great Britain and joins the R.A.F. over there, then we say that he is not in exactly the same brackets, that he is never coming back to Canada, has not been back in the meantime and perhaps he never intends to come back to Canada; but he is going to be treated the same as the Canadian who joined the R.C.A.F. And if you put them on exactly the same basis, some of the boys from Canada who went to Great Britain in 1938 and joined the R.A.F. intending to stay there can come along and say we want these educational benefits; if you put it on the same basis, how are you going to rule them out?

Mr. MERRITT: Section 15 provides that right now.

The CHAIRMAN: Section 15 provides, "no allowance may be paid under this Act to or on behalf of any veteran who resides out of Canada". If you make it a condition that he can only get his training outside of Canada when it is training of a kind which he cannot get in Canada, then, as long as he satisfied those conditions he can get it, whether he ever intended to return to Canada or not.

Mr. GREEN: You are saying that the Canadian who joined the R.C.A.F. and was demobilized in England and has no intention of coming back to Canada can not get the training and the other fellow can. That is where the difference comes in.

The CHAIRMAN: Because we had to recognize the obligation to people who served in our own forces, not when they joined other forces.

Mr. MERRITT: That is exactly what I am arguing too.

The CHAIRMAN: We are going to have to decide as a committee to what extent we can treat imperial forces exactly the same as Canadian.

Mr. CROLL: Let me give you a couple of cases which came to my attention this morning. There was a young fellow from Toronto who wanted to join the fleet air arm. Our Canadian navy did not have a fleet air arm at that time, I think that is true; so he went over and joined the British and he went back and took his training in the southern part of the United States. He joined the British; and then they came to him and said, now would you not like to transfer over to the Canadian forces? He said, sure, I want to be with the Canadians. So they arranged to have him transferred back to the Canadians. They took his application, and while it was being considered the war ended, and now he finds himself in the British forces. He is a Canadian. He was born in this country, lived here all his life. He wants to come back here now and finish his schooling in the ordinary way. Under this Act, as I see it now, he is out of luck.

The CHAIRMAN: He comes back to Canada.

Mr. CROLL: You say that if he does come back to Canada, that is the way you read it?

The CHAIRMAN: Yes.

Mr. CROLL: What I want to know, is this section in effect at the present time; because he has been turned down already. This section that we are on now, is it in effect at the present time?

The CHAIRMAN: Is he coming back to Canada?

Mr. CROLL: Yes, he is living here.

The CHAIRMAN: I do not see why he should be turned down.

Mr. CROLL: I want to know about it.

Mr. WOODS: If he is living in Toronto he is eligible.

Mr. CROLL: Yes, I gathered that from reading it, but there is a lot of argument put up as to whether he served in the Canadian army or whether he served in the British forces. There was presumably a distinction, although there should be very little with respect to the navy, it did not matter much whether one served with one or the other.

The CHAIRMAN: Yes, but you had to be sure also that he is a resident of Canada.

Mr. GREEN: Take this case, a boy joins the fleet air arm and then is demobilized in England, wants to be demobilized there to attend Oxford university or any other university, or to take up engineering training in Great Britain. He cannot qualify the way this clause is worded now, and he should be able to. I mean, the way this is worded now he would have to come back to Canada and become a resident here and then apply to go back to England and get his training there.

Mr. MUTCH: Let me risk an opinion on that. If the desire is to take care of that man, can't we do it by saying the same thing as we did before—a person domiciled in Canada? A man could still be domiciled in Canada if we accepted his domicile before the war. But, to take care of the chap you have in mind, change it to read "Canadian", that would make the necessary change there.

Mr. GREEN: Yes.

Mr. MUTCH: You have to use the word "domicile" in that particular clause.

Mr. MERRITT: Yes.

Mr. MUTCH: I do not know how some distinction is to be avoided, speaking of this. I know some of these people personally who have come under the benefits through a generous interpretation of the Act, and are being discharged in England and have no intention of coming back here again, who have established themselves over there, were in the progress of doing that before the war.

Mr. KIDD: They are going to get the benefits.

Mr. MUTCH: No, not under this now; they would not get it if we changed to "domicile".

Mr. GREEN: They would get it under 1.

Mr. MUTCH: No, they went over there and joined the British air force.

Mr. MERRITT: That is fair enough. I have no desire to benefit people who are never coming back to Canada. Change "residence" to "domicile".

The CHAIRMAN: I am wondering whether "residence" has any well-known meaning.

Mr. GUNN: I think that that is the situation, Mr. Chairman; after all, a person may have a residence in a country and be travelling all over the globe; he may be temporarily in England and have a residence somewhere else. As a matter of fact, I think my lawyer friends here will agree that

there may be a question as to where his residence may be at any particular time. He might be temporarily attending Oxford. I would certainly say that if his home is in Toronto that is where his residence would be.

Mr. GREEN: No, "domicile".

The CHAIRMAN: Is not "domicile" the right word?

Mr. GUNN: "Domicile" means fixed intention to stay in a place indefinitely.

The CHAIRMAN: No, it means an intention to return.

Mr. GUNN: That is domicile.

The CHAIRMAN: Isn't that what you want to do, decide the point?

Mr. GUNN: It may be so.

The CHAIRMAN: "Residence" is exactly where you are at the moment; "domicile" is where you intend to make your home.

Mr. GUNN: Mr. Chairman, you have all known of people who had a residence in two different municipalities in this country, causing great complications in tax lists and municipal lists and so on. I think that some measure of consideration will have to be given to it here.

Mr. GREEN: The word "residence" is restricted far more than is the word "domicile"; "domicile" is the proper word.

Mr. MUTCH: Let me give another example. I spoke last Friday with a boy who had served in the R.A.F. and came back home to be discharged, and to see his family, going back the next week to attend Oxford university on a two-weeks' course at his own expense. Had he been less of a sentimentalist, if he had wanted to go right into university without coming home and seeing his family and taking his discharge immediately thereafter, he would have been ruled out. Also, he might be put to the expense, if he wanted to qualify, of coming back here and taking his discharge and then paying his own expenses back there.

Mr. GUNN: But a person does not lose his residence, whatever residence he may have had when he joins His Majesty's forces.

Mr. MUTCH: That is right.

Mr. GUNN: His residence and his domicile, I should think, would be the same as they were prior to so joining. When it comes to establishing residence after he leaves His Majesty's forces it is a question of fact, and I would say that to remain temporarily in England or to leave his home here in Canada to go to England would not deprive him of his benefits under this section provided it is only temporary.

The CHAIRMAN: I put this to you, Mr. Gunn. Suppose a man goes over to England in 1938, joins the R.A.F. there and takes his discharge in England. He takes up his abode in some particular place in England. He has not had a place of residence in Canada for seven years. Would the legal interpretation of residence not be where he was actually living in England whereas his domicile, if he intended to return to Canada, would be the place he left with the intention of returning to? In other words, I think the word of art in law is "domicile" and not "residence." I suggest that to you. I think we should consider that because if it is our intention to benefit only those who are genuine Canadians of Canadian domicile then the word "residence" is restrictive. It may be very easy to apply, but we get these rulings every now and again and I am afraid that if we put it in that form we will find genuine Canadians excluded. I suggest that we leave this for you to consider and make a further submission to us.

Mr. GUNN: One has to remember that a great many of these men were infants in the eyes of the law at the time they joined His Majesty's forces and

had a domicile which, of course, was that of their parents. That being the case it seems to me that those conditions remain until that lad, after he has reached his majority, determines on another course.

The CHAIRMAN: But having reached his majority if he takes up residence in England his residence is there whereas his domicile may still remain in Canada if he intended to return there.

Mr. WRIGHT: Would his domicile remain in Canada if he got married and established a home over there?

The CHAIRMAN: It is a question of intention. His residence would be in England but his domicile would be in Canada.

Mr. CROLL: If he bought a home there he would be domiciled in England.

Mr. JUTRAS: Apparently this is a legal technicality, and I move that we leave this point for to-day, let this section stand and give the lawyers on the committee a chance to consult their statutes.

The CHAIRMAN: Thank you. Is that carried?

Mr. GILLIS: Before we leave that is this not all covered under section 21? The minister has got all kinds of discretionary power.

The CHAIRMAN: But this is only in reference to a veteran.

Mr. GILLIS: As to the point raised by Mr. Green you said that boy could not get any benefits under this Act. He can if the minister so desires.

Mr. GREEN: If he is not a veteran he cannot.

Mr. GILLIS: The minister has discretionary power to describe the conditions on which allowances payable under this Act may be paid to persons not resident in Canada. That boy over there makes an application and under the regulations here the minister has the right to say granted or otherwise.

Mr. MUTCH: The trouble is the minister only has the right to make payments to veterans.

Mr. LENNARD: I suggest again to-day that the speakers address the chair and stop mumbling away to one another.

The CHAIRMAN: It is carried that this section stand for the time being. The next is (1).

"(1) 'War' means the war which commenced on the 10th day of September, 1939."

Is that carried?

Carried.

Mr. GUNN: Just before we leave this interpretation section may I ask that we consider three new definitions which I think will be very helpful to the consideration of the Act. They are very short. I think they will eliminate a lot of verbiage later on. The first one is a pure formality.

"'Department' means the Department of Veterans Affairs."

The CHAIRMAN: Is that carried?

Carried.

Mr. BROOKS: Will that be (k)?

The CHAIRMAN: That will be added wherever it fits in.

Mr. GUNN: The Act speaks of pensioners in various places. I think a definition would be appropriate and I am suggesting this.

"'Pensioner' means a veteran who is in receipt of a disability pension under the provisions of the Pension Act."

That is the intention, at least, of the legislation. I think it might be desirable to have that clarified.

Mr. GREEN: Where is "pensioner" used in the Act?

Mr. GUNN: For one place, Mr. Green, in the regulations, the last page, under G(3).

Mr. GREEN: Is that the only place?

Mr. GUNN: I think it is. After all there may be a question as to what is a pensioner. There are old age pensioners and various other kinds of pensioners.

The CHAIRMAN: I think that is a reasonable suggestion.

Mr. Mutch: It would exclude pensioners under militia pensions.

Mr. GUNN: Yes.

The CHAIRMAN: Is that carried?

Carried.

Mr. GUNN: The next is "university". We speak of universities throughout the legislation. This definition is taken from the order in council itself.

"'University' means a university or college of educational standards approved by the minister."

Mr. GREEN: Is that the definition at the present time?

Mr. GUNN: That is the definition except that the word "department" is changed to the word "minister". It will read:

"'University' means a university or college of educational standards approved by the minister."

The CHAIRMAN: Is that carried?

Carried.

I think we should adjourn now, but the question is when can we meet again?

Mr. PROBE: Before that is settled may I make one correction in a statement made by the deputy minister with respect to the allowances under the Unemployment Insurance Act? I was not altogether satisfied at the time. I know it was stated from memory. Under the Unemployment Insurance Act a single person may receive more by way of unemployment insurance than he would receive under the out of work benefits. We can come back to the section but I think that there should be a change made in that \$50 monthly because a single person can receive \$12.24 a week which works out to \$49 for four weeks which is about \$55 for a month. That is important because I feel that the veteran should not start drawing on unemployment insurance during the twelve month period that he is entitled to the out of work benefits. I believe it was the intention to establish that. I beg leave to correct the deputy minister in that statement. It is to be found at page 188 of this reference manual.

Mr. Woods: That is a clause which has been added since I worked with this bill.

The CHAIRMAN: If it is satisfactory we will meet at 2 o'clock tomorrow afternoon.

The committee adjourned at 5.45 p.m. to meet again on Friday, November 30, 1945, at 2 o'clock p.m.

APPENDIX "A"

THE VETERANS' LAND ACT

APPLICATIONS FOR QUALIFICATION BY VETERANS RESIDING IN THE MUNICIPALITIES OF CHILLIWACK, KENT
 MAPLE RIDGE, MATSQUI, MISSION, PITT MEADOWS, AND SUMAS, AND
 DISPOSAL THEREOF AS AT NOVEMBER 22, 1945

| Particulars | Chilli- wack | Kent | Maple Ridge | Matsqui | Mission | Pitt Meadows | Sumas |
|------------------------------------|-----------------|-------|----------------|---------|---------|-----------------|-------|
| Number of applications..... | 51 | 5 | 57 | 17 | 15 | 7 | 2 |
| Number qualified..... | 19 | 1 | 23 | 5 | 5 | 4 | ..... |
| Number declined qualification..... | 6 | 3 | 11 | 1 | 3 | 1 | ..... |
| Number pending..... | 26 | 1 | 23 | 11 | 7 | 2 | 2 |
| Breakdown of those qualified: | | | | | | | |
| Small Holding..... | 17 | 1 | 18 | 4 | 3 | 3 | ..... |
| Full-Time Farming..... | 2 | ..... | 4 | 1 | 2 | 1 | ..... |
| Commercial Fishing..... | ..... | ..... | 1 | ..... | ..... | ..... | ..... |

NOTE: In addition to the above 11 applications were filed by veterans resident in unorganized territory but within the constituency. Of these 11 applications 4 have been qualified, 2 declined qualification and 5 are pending. Of the 4 applicants qualified, 3 are for full time farming and 1 for small holding.

THE VETERANS' LAND ACT

APPLICATIONS FOR QUALIFICATION BY VETERANS RESIDING IN THE VICINITY OF ABBOTSFORD, MISSION CITY
 AND HOPE, B.C., AND DISPOSAL THEREOF AS AT NOVEMBER 22, 1945

| Particulars | Abbotsford | Mission City | Hope |
|------------------------------------|------------|--------------|-------|
| Number of applications..... | 9 | 20 | 3 |
| Number qualified..... | 4 | 4 | 1 |
| Number declined qualification..... | 1 | 6 | ..... |
| Number pending..... | 4 | 10 | 2 |
| Breakdown of those qualified: | | | |
| Small Holding..... | 4 | 3 | |
| Full-Time Farming..... | | 1 | 1 |
| Commercial Fishing..... | | | |

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Canada, Veterans Affairs, Special
Committee on, 1945

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SESSION 1945
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 28

Friday, November 30, 1945

WITNESSES:

Mr. W. S. Woods, Deputy Minister,
Mr. W. G. Gunn, Counsel,
Mr. Arthur W. Crawford, Superintendent of Vocational Training, and
Mr. W. Holdsworth, Supervisor Grants and Benefits, Department of
Veterans Affairs.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1945



MINUTES OF PROCEEDINGS

FRIDAY, November 30, 1945.

The Special Committee on Veterans Affairs met at 2.45 o'clock p.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Baker, Blair, Brooks, Emmerson, Fulton, Gauthier (*Portneuf*), Green, Harkness, Herridge, Jutras, Lennard, McNaught, McKay, Merritt, Mutch, Pearkes, Probe, Quelch, Ross (*Souris*), Skey, Tremblay, Tucker, Viau, Winters, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister; Mr. W. G. Gunn, Counsel; Mr. Arthur W. Crawford, Superintendent of Vocational Training; and Mr. W. Holdsworth, Supervisor, Grants and Benefits, all of the Department of Veterans Affairs.

Mr. Woods answered certain questions put to him at the last meeting regarding allowances granted for out-of-work benefits and the salaries paid rehabilitation officers and their staffs.

Consideration of the draft of the proposed bill to provide rehabilitation allowances for veterans was resumed.

Sub-paragraph (ii) of paragraph (k) of clause 2 was deleted and the following substituted therefor:—

“(ii) a person domiciled in Canada who served in the forces of His Majesty other than Canadian forces and was so domiciled at the time he joined any such forces for the purpose of the war,”

Clause 2 was further amended by deleting paragraph (h) and substituting therefor the following:—

“(h) “Period of service” means time served on active service in the forces, excluding therefrom any period of absence without leave or leave of absence without pay, or time served while undergoing sentence of penal servitude, imprisonment or detention, or period of service in respect of which pay is forfeited.”

Clause 2, as amended, was adopted.

Messrs. Crawford and Holdsworth were called, questioned and retired.

At 4 o'clock p.m. the Committee adjourned until Monday, December 3, at 4.00 o'clock p.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

November 30, 1945.

The Special Committee on Veterans Affairs met this day at 2.45 p.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: If you will come to order, gentlemen, we will proceed. The deputy minister has a statement to make.

Mr. Woods: Mr. Chairman, and gentlemen, two or three questions were asked yesterday and I would like to place in the record a reply to them. Mr. Probe asked whether in all cases the allowances paid out of the post-discharge order, particularly for out-of-work benefits, were greater than those paid by the Unemployment Insurance Commission. I expressed it as a matter of opinion that our allowances were greater in every case. I ask permission to correct that statement and make one exception; that is in the case of the out-of-work benefit to single men. There is a difference in favour of the Unemployment Insurance benefit of \$1 a month. We pay \$50 per month and under the Unemployment Insurance Act there is \$1 more can be paid, \$51 a month.

Mr. Gillis asked a question as to what offices of the department were paying offices in the sense that they could make disbursements without reference to another office. My reply was to the effect that all our offices were paying offices. I should like to clarify that statement and in doing so answer a question which was raised by another member as to the number and location of our various offices.

We have offices together with rehabilitation centres at: Halifax, Charlottetown, Saint John, Quebec, Montreal, Ottawa, Kingston, Toronto, Hamilton, London, Winnipeg, Regina, Saskatoon, Edmonton, Calgary, Vancouver.

These are our principal offices with complete facilities for dealing with claims for benefits of any kind; they issue payments for training allowances, out of work benefits and so forth.

In addition we have sub-offices at Windsor, Port Arthur and Victoria.

These are not full-fledged district offices but work under the supervision of the nearest district office, i.e., Victoria under Vancouver, Port Arthur under Winnipeg, Windsor under London. These sub-offices can make advances in order to meet immediate needs but applications must be approved and payments made from the district office under which they work.

In Sydney, Nova Scotia, Mr. Gillis raised the question of the salaries that are paid to our staff there. I should like to state that we have in the Unemployment Insurance Commission offices in Sydney, Nova Scotia, a veterans welfare office with a salary ranging from \$1,920 to \$2,400, one grade four clerk with a salary ranging from \$1,620-\$1,920, two grade two clerks with a salary ranging from \$1,080-\$1,380, and three grade two stenographers with salaries ranging from \$1,080-\$1,380. We also have in the downtown district a sub-office, we have taken over the army hospital there and in that office we have provision for a principal clerk—occupational counsellor with a salary of \$3,000-\$3,600, and interviewer with a salary ranging from \$1,920-\$2,400, and two stenographers, grade two, with salaries ranging from \$1,080-\$1,380.

Mr. Brooks: Is the cost of living bonus applied to those salaries?

Mr. Woods: Yes, there is a cost of living bonus paid. I have not got information as to the amounts of it before me. I want to conclude by stating that whilst we are operating the army hospital in Sydney at the present time there is a strong possibility that we may be taking over shortly the naval hospital there which is a much more adequate institution.

Mr. Wright: You have a rehabilitation officer have you not, in each one of the unemployment offices as well?

Mr. Woods: We have what is known as a veterans officer, yes; but not in all of the unemployment insurance offices, some of the small ones where there is insufficient veterans' work to take up full time of one man, one man is selected to answer inquiries on veterans affairs.

Mr. Wright: Would it not be possible to have them on hand to make these advances, would that not give you better coverage?

Mr. Woods: They do take applications for benefits, but to vest in everyone of them throughout the dominion, in every one of the two hundred and fifty unemployment insurance offices have someone vested with authority to make payments is a little more responsibility than we feel we could vest in them. However, they take applications and if they handle them promptly and with dispatch there should not be any more than a day or two's delay as a result of their having to send them on to the nearest district office.

Mr. Wright: You do not feel that the department would be justified in giving that authority to make advances in cases of necessity?

Mr. Woods: To actually pay out of work benefits?

Mr. Wright: Yes, the out of work benefits which they would be entitled to get on application.

Mr. Woods: I am afraid decentralizing the work to that extent would present problems to us which I hardly think it would be in the public interest to do.

The Chairman: Clause 3, in the general jurisdictional clause.

Mr. Green: What about the last item of clause 2 there?

The Chairman: Are you ready with an amendment on that, Mr. Gunn?

Mr. Gunn: Yes, Mr. Chairman; the appropriate offices of the department have considered this particular paragraph in the light of their discussion yesterday before this committee and as a result I am proposing that the paragraph be changed by deleting the word "resident" and replacing it with the word "domiciled"; and then another purely propositional change by striking out "in Canada" in the third line, and putting in the word "so" before the word "domiciled". It is felt that in substance this does not effect any change from departmental policy as carried on at the present time; that is especially true if and when this clause 15 is considered, then read in conjunction with the appropriate regulations mentioned yesterday; namely, paragraph (c) of clause 21.

The Chairman: Mr. Gunn, I am glad that that is suggested, because it will remove some doubt on the part of some members of the committee anyway; and I understand it is in line with what the department has been endeavouring to apply anyway.

Mr. Fulton: Mr. Chairman, I do not quite catch the import of Mr. Gunn's remarks about sub-paragraph (c), clause 15; would you repeat that, Mr. Gunn?

Mr. Gunn: I merely wanted to indicate, Mr. Chairman, that by combining the operation of this definition with clause 15 and with the regulations making provision for allowance it is hoped to take care of these cases which are overseas.

The CHAIRMAN: May we carry that (k) as amended?

Sub-section (k) as amended, agreed to.

The CHAIRMAN: Clause 3 is next.

Mr. GUNN: Mr. Chairman, excuse me; before we leave this interpretation clause may I make this suggestion to the committee? During our study of this problem with which we have last dealt the question of interpretation of period of service, it was considered yesterday, and it was felt that perhaps it would be sufficiently wide in its effect, in its scope, to take care of members of the forces called up under N.R.M.A. In fact, there is a real doubt. As a result of that I am suggesting that a new definition of "period of service" be considered. With your permission, Mr. Chairman, I will put forward the new definition.

Period of service means time served on active service in the forces excluding therefrom any period of absence without leave or leave of absence without pay or time served while undergoing sentence of penal servitude, imprisonment or detention, or period of service in respect of which pay is forfeited.

That is in line with the present procedure under the post-discharge re-establishment order. The limitation of time as expressed here in this proposed definition has been considered to have been authorized under the reference to active service rates of pay in the order that we are now putting into statutory form. So that I think the effect is just the same but we can proceed with greater confidence that we are taking care of these N.R.M.A. personnel.

Mr. SKEY: Would you read that definition again after "period of service means time served"...

Mr. GUNN:

"Period of Service" means time served on active service in the forces excluding therefrom any period of absence,

and so on, following the wording of the War Service Grants Act in that respect. Would you like me to read the whole thing? I am sorry.

"Period of service" means time served on active service in the forces excluding therefrom any period of absence without leave or leave of absence without pay or time served while undergoing sentence of penal servitude, imprisonment or detention, or period of service in respect of which pay is forfeited.

The CHAIRMAN: Is that satisfactory?

Now we come to clause 3 which reads:

3. Subject to the provisions of this Act, the Minister may promote the rehabilitation of veterans of the war: (a) by making monthly allowances to veterans who (i) are temporarily incapacitated from performing work, (ii) are out of work, or (iii) are awaiting returns from a business; and (b) by providing vocational, technical, and undergraduate or post-graduate university training or training by correspondence to such veterans, and by making monthly allowances to such veterans during such training.

Those are dealt with specifically by subsequent sections.

Mr. GREEN: Mr. Chairman, why is it that you do not include the schedule of rates in the bill? It appears as a schedule to the post-discharge re-establishment order.

The CHAIRMAN: It is to give it greater elasticity and enable it to be changed without having to change the Act.

Mr. GREEN: That may be very wise. I am not arguing that at the moment, but I think that this is the heart of the whole order. This section is the key section. I do urge the committee to give consideration to the amounts which are being paid. In Vancouver we are now running up against a very serious situation. There have been far more men discharged there than were enlisted in our province. There is already serious unemployment among the veterans, so serious that Major General Hoffmeister made a rather startling speech about the situation just a few days ago. I take it that many of these men will have to come under the out of work benefits. It is a terrible thing that should be the condition so soon after the termination of fighting but I am afraid that is the picture. I suggest that these rates should be raised. There was a recommendation from the Royal Commission on Veterans Qualifications. We find there that they recommended that both out of work benefits and unemployment insurance benefits be increased.

Then the Legion made a recommendation to be found on page 20 of their submission having to do with university and vocational training allowances. I do not think they mentioned out of work benefits but they did mention university and vocational allowances. They said:

The existing scale of allowances for university or vocational training is inadequate especially in large centres of population. The lack of proper provision for food and shelter and the cost of books and other educational supplies in many cases defeats the purpose of this legislation and the Legion recommends an increase in allowances.

The rate as set out in the schedule—and to be found on page 394 of our handbook—is \$50 for out of work benefits for a single man and \$70 for man and wife. I think Mr. Woods has said that is even lower than unemployment insurance.

Mr. WOODS: In the case of a single man it is \$1 a month lower than the maximum under unemployment insurance.

Mr. GREEN: Vocational and educational is \$60 for a single man and \$80 for man and wife.

Mr. Mutch: Under the amendment bringing university education in line with vocational have not those in most cases become in effect \$80 and \$100? There is an additional grant of \$5 a week if they have to leave home.

Mr. WOODS: If they have to leave home for vocational or university training we can pay an additional \$20 a month.

Mr. GREEN: In what percentage of the cases do you pay it?

Mr. JAMIESON: I would not be able to say in what proportion. Approximately one-third of the university students are married men. As to what proportion of those are at this moment living in the university centres I have not the figures.

Mr. GREEN: Do you pay it to every person taking vocational or university training who has to live away from home?

Mr. WOODS: Yes, who have to live away from home.

Mr. GREEN: In every case.

Mr. WOODS: May I ask Mr. Crawford to answer that question?

The CHAIRMAN: Come up here where you can be heard and give your full name and position.

Mr. WOODS: It is Arthur W. Crawford.

Mr. CRAWFORD: I am superintendent of vocational training. The living away from home allowance is paid to married men and heads of households who are required to take their training away from their home, thereby, maintaining two establishments, one for themselves and one for their family or

dependents. That is \$5 per week, which is slightly more than \$20 per month. I have not the figures as to the exact percentage either in vocational or educational training.

Mr. GREEN: What about single men?

Mr. CRAWFORD: A single man who has dependents, and on whose behalf dependents' allowances are paid, is treated as the head of a household. He will receive the same treatment as a married man.

Mr. GREEN: And a man who has no dependents?

Mr. CRAWFORD: He gets no extra allowance when he moves away from home because it is assumed his living expenses will be the same at the place of training as they were at the place of residence.

Mr. GREEN: That increase of \$5 a week would only be in the case of a man with a household to maintain?

Mr. CRAWFORD: Who is required to live away from home during the period of training and maintain both.

The CHAIRMAN: If he left where his home was and moved his household to the university city in order to have them with him when he was taking training would the extra payment be eliminated?

Mr. CRAWFORD: Yes.

Mr. MUTCH: Will you permit a further question while Mr. Crawford is there? How about transportation allowances? In the case of a man who lives at home is there not a provision to pay the same amount to that man if he has to commute?

Mr. CRAWFORD: If it is more convenient for the man to commute from his place of residence to the place of training then the cost of commuting may be paid up to a maximum of \$5 per week.

Mr. MUTCH: But it is the actual out-of-pocket expense. It is not over \$5.

Mr. CRAWFORD: Only the out-of-pocket expenses not exceeding \$5 per week.

Mr. JUTRAS: Is there any allowance for a lad who has to go from Winnipeg to attend McGill University for instance, where it is the only place the course is given?

Mr. CRAWFORD: If any one is required to go from Winnipeg to Montreal and is maintaining his establishment in Winnipeg, he would receive the extra \$5 per week.

Mr. JUTRAS: But if he is a single man, what about his transportation and extra costs?

Mr. CRAWFORD: The transportation is paid in the case of vocational training but not in the case of university training.

Mr. GREEN: I do not wish to go into the matter in any further detail at the moment, but I think that question of rates is the most important feature of this whole order.

Then there is one further point. Page 394, part 3, sets out the pay that can be received by a pensioner. A pensioner does not get the full allowance. He is cut down by reason of the fact that he has a pension. That is done on a sliding scale.

Mr. MUTCH: Plus 30 per cent, is it not?

Mr. GREEN: I have not figured that out. He is cut down because he has the pension. There was a submission made on that important point by the National Council of Veteran Associations, to be found at page 12 of their brief and pertaining to training allowances under the Post-Discharge Re-establishment Order. They said:—

We recommend consideration by the Department of Veterans Affairs under section 15 of the Canadian Pension Act which states:—

The occupation or income or condition in life of a person previous to his becoming a member of the forces shall not in any way affect the amount of pension awarded to or in respect of him.

And section 20, subsection 3:—

No pension shall be assigned, charged, attached, anticipated, commuted or given as security, and the commission may, in its discretion, refuse to recognize any power of attorney granted by a pensioner with reference to the payment of his pension.

Under the provisions of the present training allowance scheme the disabled ex-service man is required to utilize his war disability compensation to meet a substantial amount of the cost of any educational or vocational training course which he may undertake in order to fit himself for occupation or employment. While it may be argued that he is not an employee in the full sense of the term, we are seriously concerned over the example which is being set by the government.

In other words the government, by setting up that scale is giving an example to the employer to cut down the pay received by a pensioner, because he gets a pension. If the principle is broken down at all, it may be very, very serious for the pensioner. I suggest that there should not be that part 3 at all, that the pensioner should be paid as though he were not a pensioner, and that the fact that he is drawing a disability pension should be ignored in paying the allowance.

Mr. MUTCH: I think you would have to supplement that. That will bring up the question of the chap who is taking vocational training and using his credit for the purpose of paying for the vocational training which he gets. There is sufficient discrepancy between the rehabilitation credit which a man gets and the benefits either under the Veterans' Land Act for a small holding or if he takes advantage of undergraduate education. I think before we reach any finality we will have to look very carefully at this practice of using the rather small rehabilitation credit to pay for the vocational training which he gets.

Mr. QUELCH: I should like to ask a question. Is the maximum amount shown in the schedule, of \$50 a month for a single person and \$70 for a married person, ever paid in the case of awaiting returns on a farm? Or is it the practice to make a certain deduction for such things as rent for the use of the house or farm?

Mr. WOODS: I would prefer one of my officers to answer that.

The CHAIRMAN: Is he here?

Mr. WOODS: Mr. Holdsworth is here. He is supervisor of grants and benefits in this department.

The CHAIRMAN: Would you come over here, Mr. Holdsworth and give your name?

Mr. WOODS: Would you answer the question, please?

Mr. WILFRED HOLDSWORTH: I did not catch it.

Mr. WOODS: Mr. Quelch asked the question whether in the case of paying benefits, while awaiting returns to a man on a farm, the maximum benefit is paid or if a reduction is made because of perquisites that he may enjoy such as a house.

Mr. QUELCH: Yes, the rent of a house. I also have in mind this fact. I have had complaints in the case of boys starting out—who had, we will say, two or three cows—where deductions were made on account of the amount of

cream they were getting from the cows. Their complaint was that in view of the fact that they were starting, they had to buy feed to feed the cows, and the cost of the feed should have been deducted from the amount they were getting from the cream; and that by the time you did that, they would have nothing from the cows. Yet quite heavy deductions have been made.

Mr. MUTCH: They still had the manure.

Mr. HOLDSWORTH: The maximum amount is paid. The rehabilitation board take into account any income that is derived from the farm or any other source, in making the final award. In the case you mentioned, where a man has a certain income from cows, it is quite understood by the rehabilitation board and the men that were handling that in the field, that there is a definite expense in connection with that; and it is only the net income that is taken into account.

Mr. QUELCH: What did you say in regard to the rent of the house? Did you say that is charged?

Mr. HOLDSWORTH: That is again left entirely to the rehabilitation board as to what the needs are for a man's assistance. That maximum is \$70 in the case of married men.

Mr. WRIGHT: Are the maximums being paid in any case?

Mr. HOLDSWORTH: Yes.

Mr. WRIGHT: They are?

Mr. HOLDSWORTH: Yes, in many cases.

Mr. MCKAY: I should like to ask a question of Mr. Crawford if I may, just as an amplification of the question pertaining to travelling expenses of veterans who attend vocational training schools. Could you explain, Mr. Crawford, why those expenses are allowed in the case of a student attending such schools and are not allowed in the case of university students? The distance of travel, if I gauge them properly, are usually much greater in the case of students attending university, because there are fewer of them; whereas there are many more vocational schools and they are much handier to their homes.

Mr. CRAWFORD: I cannot give you a full explanation, but the circumstances are these. In connection with vocational training, the transportation is paid to and from the place of training once. It is a short period of time, and if training cannot be given at the man's home, he is sent to a school and returned to his place of residence or place of employment. In the case of university training, the man has a four-year period or a five-year period. He is traveling back and forth at frequent times for holidays and the circumstances are not the same.

Mr. PEARKES: Did I understand the amount paid to men who are out of work is less than that which is paid to university students, boys attending university or these vocational schools?

Mr. CRAWFORD: Yes.

Mr. PEARKES: I cannot help feeling that is wrong; because the boy who attends university is frequently quite able to pick up something on the side, and he is able to work during the period when those classes are not going. The man who is out of work is definitely out of work and he has no other source of income.

The CHAIRMAN: If you pay him too much, he will never hunt work until the payment stops. That is the trouble.

Mr. PEARKES: I understand that. But no man likes being out of work; and I do not think there is any indication of sitting down and not working.

Mr. WOODS: The reason for the distinction is this. There is a \$10 difference between the man who is taking training and the man who is out of work

on unemployment benefits. The reason for that is that the man who is taking training wears overalls and to all intents and purposes does a full day's work. He has wear and tear on his clothes. He has transportation to his training school and so forth. He is exposed to incidental expenses that the man who is unemployed and waiting for a job is not exposed to.

Mr. PEARKES: I would suggest that the man who is unemployed wears out his boots looking for a job.

Mr. BLAIR: I brought this thing up earlier in this session, and it was left over until we arrived at it. I cannot understand why the pension of a university student is cut down. I cited an instance of a boy I know receiving \$18.75 pension, and on his going to university it was cut down to something like \$7.50. Many of these boys are disabled and require their pensions. Everything has been changed for them. They have not the ability to earn in the summer months the same as the student who is fit. I feel these boys are being penalized, depending on their disability. If the disability is pensionable, they cannot earn the same as university students in the summer time. It does not seem fair that a pension which has been earned through suffering and disability should be interfered with.

Mr. WOODS: This is a practice we inherited from the past, ever since there was a Department of Pensions. The pension always was taken into consideration in providing training allowances. There is, I take it, an analogy between a pensioner who is admitted into hospital and a pensioner who is admitted to a training school for instruction. When a pensioner is admitted into hospital, his pension is suspended, and he is given hospital allowances equivalent to one hundred per cent of his pension. The same effect takes place in respect to a pensioner who goes to a training school, except that we established a ceiling which comprises the training allowances plus forty per cent of his pension. In short, if his pension is \$100, we give him his training allowance; his total income would be his training allowance plus forty per cent of whatever his pension is.

If the pension were entirely ignored, the income of the trainee would be out of all relation to the income of a pensioner who goes to hospital. If it be held that the pension is paid because of the man's loss in the labour market, because of his incapacity in the labour market, surely it should be taken into consideration when he is in a government institution taking training.

One of the veterans organizations, when this was under consideration—and it is a national organization of disabled men—came to us and suggested that we exempt half the pension, that we take into consideration only half the pension and pay training allowances in addition to that. Instead of that, we made it forty per cent instead of fifty per cent. The reason for that is: when you come to divide the pension, you run into a problem in arithmetic that is very confusing. We said that forty per cent lends itself—you will notice, by your pension scale—to easier computation by our own officers and by the pension staff itself.

A five per cent pensioner who is taking training, his income will be \$61.50 a month; and if he married, it will be \$81.50; and if he has two children, it will be \$103.50; and should he have six children, it would be \$139.50.

In the case of a one hundred per cent pensioner, a single man's income will be \$105, while taking training, his pension plus allowances. In the case of a one hundred per cent pensioner who is married with two children, it would be \$157; and if he had six children, while taking training, it would be \$197. It will be more, in any event, than he would receive if he were in hospital instead of in a training school.

Mr. WRIGHT: I would just like to raise a point with regard to three clauses under the present regulation, as they exist. Now, Mr. Wood has told us that these

payments are being paid to men who are awaiting returns in agriculture. I suppose that, under the Act, they will be paid under these three, in clause 3, while awaiting returns from business?

Mr. WOODS: Yes.

Mr. WRIGHT: In this committee, while we discussed previous Acts, we had a ruling from the Department of Justice that farming was not a business. It just might happen, in this Act, that we might be excluding these people who are engaged in agriculture?

Mr. MUTCH: We might make it a business.

Mr. WRIGHT: That interpretation was given here. I do not know on what grounds, but I cannot understand it myself.

Mr. MUTCH: It is a way of life.

Mr. WRIGHT: I want to be sure it will be included in this Act.

Mr. WOODS: Under the War Service Grants Act, when we were referring to awaiting returns, we said a business, including farming.

Mr. WRIGHT: But I wonder if we should not make an amendment in this Act to be sure that these people were covered?

Mr. WOODS: I do not know whether our counsel thinks that an amendment would be necessary?

Mr. GUNN: I do not think it would, Mr. Chairman. The point arose because of the language that had been used: "including farming" did give rise to a suspicion that farming was not a business. Of course, that is not so.

Mr. MUTCH: It is a way of life.

Mr. GUNN: I do not think it is necessary to make any amendment.

The CHAIRMAN: Clause 6 makes it very plain that it is intended to apply to farming, Mr. Wright.

Mr. WRIGHT: I am clear in my mind, but the Department of Justice may be of an entirely different opinion. I just wanted to make sure that they would be included.

Mr. MUTCH: In clause 6 we may have to add business, because all that is mentioned is farming and fishing. I suggest you make it clear business and, further, that you take into consideration the fact that time limitations may enter in, and that people cannot buy materials and supplies. You will have plenty to worry about on that.

The CHAIRMAN: You are satisfied that that includes awaiting returns from a business, and that it does include farming?

Mr. GUNN: It has been so interpreted by the Department. I do not think there is any question about it.

Mr. WRIGHT: One other point I wish to raise. We have made provisions under this Act for men who are taking vocational training and educational training who are going to go on farms under the Veterans' Land Act. It seems to me that we should add to this section, after clause (c), a clause which would allow the government to under-write loans to veterans intending to establish themselves in business. It seems to me that we have failed, as yet, to give consideration to the many veterans who will be going into small businesses of their own by making some loan available to them.

I understand that in South Africa and in New Zealand and in the United States they have some such provision in their re-establishment measures. I would like to see the matter discussed in the committee and I believe that we should add a clause that would allow the government to make loans to men going into small businesses of their own. After all, in our Canadian economy,

a small business plays a very, very important part. Many of us hope it will play a more important part and that our tendency towards large monopolies and cartels will be curtailed and that small businesses will be given a chance to function again in a competitive manner in our economy. I think one of the best ways we could assure that is by seeing that our veterans who are returning now, young, energetic and aggressive, and who want to establish themselves—let us give them a chance to get into business, a small business of their own. I think that if some provision of that nature were to be included in this bill, it would be very much appreciated by them.

The CHAIRMAN: Just on that point, Mr. Woods has been working on this question and it is under consideration by the Cabinet. Various steps have been taken but I do not know to what extent they are public property. Could Mr. Woods tell the committee to what extent they are available for publication?

Mr. WOODS: I can only say that it has been studied by our general advisory committee and that it has now advanced to Cabinet level for consideration and internal discussions with the banks, and so forth. I am not able, of course, to say that any such legislation will be approved. I can only say that it is presently receiving close consideration.

Mr. PROBE: If we were to suggest the addition of a clause like this, would it not sort of fortify your own stand? Would they not welcome our support of that?

The CHAIRMAN: What I had in mind in regard to that, and I mentioned it two or three times, was that we should take at one meeting of this committee an opportunity to discuss that very problem because I think it should be dealt with by a separate bill like the Farm Loan Improvement Act.

Mr. PROBE: Wouldn't this be a good place to write it in?

The CHAIRMAN: I have thought a good deal about that, but it seems to me that it would have to be a separate bill. So, as I have suggested a couple of times before, I think we should strive to set aside one meeting of our committee at which to discuss your problem at an early date. It does not come up under this bill because this is an allowance to people, whereas this other matter would concern loans to people in order for them to get started in business, such loans being repayable under certain conditions and so on.

Mr. QUELCH: Is there any suggestion of including a grant, or purely a loan?

The CHAIRMAN: It would be a matter of discussion, and I think it should be the subject of a separate bill, because it would require many different provisions in regard to it.

Mr. PROBE: Is it proposed to introduce that during this session?

The CHAIRMAN: It would be quite impossible.

Mr. SKEY: Mr. Chairman, I wish to bring the committee back to this section with regard to pensions and the rights of pensioners. I was very glad to hear the deputy minister speak of this difference in pension when the pensioners are hospitalized, particularly so because Christie Street hospital and the Red Chevron Club in Toronto are in my riding, and I received some rather disturbing reports. I shall just outline them briefly if I may. The first report is that when a pensioner goes into hospital and comes under hospital allowances in some cases his net income is cut to the point where he has insufficient money to keep him in cigarettes and small comforts. Some of them mention getting as little as \$10 a month.

Mr. MUTCH: \$8.

Mr. SKEY: Now, in addition to that, I was also informed that the pensioner receives less allowance for his wife. I suppose that is because the

department judge that the expenses of the home are not as great. Secondly, that he also receives a lower allowance for any children that he may have. Now, if this is as I have outlined, and as it has been told to me, I think it would bear the closest investigation by this committee into this whole situation that a pensioner's rights to pension be not interfered with under any circumstances.

The CHAIRMAN: You admit that the case comes under the Pension Act?

Mr. SKEY: Yes, I will, but the deputy minister did mention the case.

Mr. WOODS: I do not suppose the committee at this time would wish to devote the time necessary to examine the treatment regulations. It is very true that certain veterans going into hospital can receive as little as \$10 a month, but that is not for a pensionable condition; that treatment is compassionate treatment, for a condition that has nothing to do with their service. If they are treated for a condition that arises from their service that is pensionable. The allowances that they get are approximately equivalent to a 100 per cent pension, so that the wife's allowances are what they would be if he was a 100 per cent pensioner. There is another class of treatment—there are four main classes—and perhaps I should not take up the time of the committee to deal with them—but the first one is when a man is discharged in our hospital from the service. While he is on his back it is not considered fair or equitable that the home should suffer any reduction in income; so that the scale of allowances in the case of a man discharged in our hospital is the pay and allowances of his rank which he was receiving before. That is continued for a year, or until pension adjudication takes place.

Mr. MUTCH: Up to what rank—lieutenant?

Mr. WOODS: There is no limitation. The second class are those men that are covered by a year's protection after they leave the service if they need hospitalization. The scale of allowances of that class is the same scale of benefits—this is \$50 and \$70 and allowances for children that we are dealing with now. Then there is a third class, that is any man who has had meritorious service. A man who gave meritorious service in the great war or this war, and who at any time needs treatment, if they have room for him in our hospitals, he is taken in and given compassionate treatment, but he does not get the scale of allowances that the pensioner gets, he merely gets a nominal allowance for clothing and comforts. So when you suggest that a pensioner who comes in there gets as little as \$10 a month, I am suggesting he was not in hospital for any pensionable condition.

Mr. FULTON: I should like to revert to the general contention that the scale of payments under this section should be increased. This is coming up all the time and it really is based, I think, on the fact that most of these scales seem to be arrived at under the scales existing in the present pension legislation and benefits legislation of the last war, and adequate consideration has not been given to the increased standard of living. Mr. Green has indicated that in the discussion which covered the point, and I do not propose to waste the committee's time in going over this again, except to ask that serious consideration be given to the general intention that we should give an over-all increase of all benefits.

With particular reference to this matter of pensions, it comes up under this Act and will come up under the pensions legislation, and I know that the committee are now considering the point as to whether a man gets his pension by right or not and whether when his pension is once awarded to him it should be reduced or taken away from him for any reason whatsoever, and if you open the door in one case you open it in the other. If we decide the principle now we will not have to decide the principle all over again when it comes to

pensions legislation, because, with due respect to what the deputy minister has just said, I know the case of a veterans' hospital in the province of Quebec which I visited and the men in there undergoing treatment under the Department of Veterans Affairs are receiving an allowance of \$10 a month, and that is a hospital, and I think it is difficult to say that it is a condition for which they are pensionable. I do not want to open up that subject, but that is a case where they are getting \$10 a month and they are pensionable, or so they assured me. So I think it would be well, perhaps, to decide the whole question of whether when a pension has been given to a man it is to be reduced for any reason whatsoever, whether it be because he was receiving educational benefits or vocational training benefits or anything else; because, after all, in many cases—particularly those pensioners having to go back to hospital—they incur some steady running expenses for the home, and if they go to the hospital and their income is in any way reduced they are not going to be able to retain the home. The same thing is likely to obtain in the case of a man taking benefits under this Act. What I have to say is that we should give consideration to an over-all increase of the benefits paid and, secondly, that a pension once given becomes a matter of right and cannot be reduced for any reason, whether it be by reason of vocational training, hospitalization, or anything else.

Mr. BROOKS: Mr. Chairman, speaking along that line, I quite agree with what has been said by Mr. Green and Mr. Fulton. I think in the United States, for instance, a man's disability is considered as something separate and apart from any other benefits he receives; is not that right?

Mr. WOODS: Not quite. When a pensioner is taking training in the United States they do augment his pension up to a ceiling, but they do not give him the regular training allowances, full training allowances, in addition to his pension. I can table with the committee a table showing the practice.

Mr. BROOKS: I think in general, though, they give him the complete pension, although I may be wrong in that. However, in the case of two men attending university, one being a 100 per cent pensioner and the other only a partial pensioner, the pension in this country is given because the man is not able to work, and the man who has a partial pension is considered to be able to supplement his pension with the work he is doing. If both of these pensioners are attending school or university he may not supplement the partial pension which he receives, and he is in exactly the same position as the 100 per cent pensioner. I cannot see why a man with a 25 or 20 per cent pension should have part of it taken away from him because he is attending a university. I think that he should receive his full pension and it should be treated as Mr. Fulton says as something separate and apart from his university grant altogether.

Mr. MUTCH: Yes.

Mr. BROOKS: But if there is going to be a jump to \$100, I do suggest that you might very well give these small pensioners their full pension whether it be \$10, \$15, or \$20, and up to \$100, and fix the maximum at that. I do think that if an injustice is being done in the way those in receipt of small pensions are being handled, take 40 per cent of it away from these men.

Mr. MUTCH: That might be described as chiselling.

Mr. BROOKS: It looks kind of small.

Mr. PROBE: While I feel perhaps this particular point should have been discussed on the schedule applicable to the payments under this Act, I would like to support what the gentlemen who have just spoken (Mr. Fulton and Mr. Brooks) had to say with respect to all pension payments being treated as a right of the individual and that all other grants for any purpose be considered

without reference to that particular point, as to whether there was any pension income or not. I think that covers the case for our group here, but we are sort of out of order in discussing it at this point.

Mr. BROOKS: No, we are not.

Mr. WOODS: I would like to say that what Colonel Brooks has suggested actually took place following the great war in September of 1920; that is to say, the training rates were then increased to \$75 in the case of a single man and \$100 in the case of a man and wife with allowances for children, that included the pension and training allowance.

Mr. BROOKS: That is what I have just said.

Mr. WOODS: That is what you have just said. That did not take place, however, until September of 1920, and the cost of living index then stood at 130. I would like to place on the record, Mr. Chairman, these figures: In June of 1918 when the cost of living stood at an index of 118.3 the training allowance including pension for the individual was \$50 a month, and the cost of living index is now 119.7.

Mr. BROOKS: Is that based on the same years; wasn't the 1920 based on 1914, and the present one based on 1939?

Mr. WOODS: The 1926-1930 period, I think.

Mr. BROOKS: Well, there was a difference.

Mr. WOODS: In 1919, in which year the cost of living index increased to 130, these training allowances were increased to \$60 for a single man and \$75 for a man and wife. It was not until almost two years later after the war that the cost of living index stood at 150 when the basic rate for the individual was increased to \$75, and \$100 for a married man, including pension. That is, as Colonel Brooks has said, equivalent to 100 per cent pension.

Mr. BROOKS: That is a pretty sound basis.

Mr. MERRITT: The question is not so much the cost of living index as whether or not the department feels that a man and wife taking educational training or vocational training can live on \$80 a month satisfactorily. I think the cost of living index is apt to lead us a little bit astray. I know I would not be any too happy myself on \$80 a month with a wife.

The CHAIRMAN: It should be remembered in regard to all of these things that nobody who undertakes educational training can say that he is going to be able to sit in idleness except in regard to the time he may be attending university and being kept in for four years without having to supplement his earnings in some way the same as other university students so going to universities in this country. If you raised these allowances too much then the man who is not in a position to take a university course is going to raise a complaint—he is complaining already—that the man who is able to take a university course is getting treatment far beyond anything that the man who is, let us say, a janitor, who is discharged from the army and gets his re-establishment credit of \$400 or \$500; he points to the ones who go to university, whose help will amount before they are through to \$4,000 or \$5,000 possibly. All of these things must be kept in a reasonable proportion and I think that that should be borne in mind, the thought that there will be periods between the terms at university when students will be able to work and supplement their incomes.

Mr. MURCH: I would not want the chairman or the committee to think that I were satisfied in all cases with the grants which are being paid for purposes of education; but on the other hand, I am aware of innumerable instances of boys who are to-day in the university—and I speak of the University of Manitoba of which I know—who are trying to get a university education in cases where they had no expectation of ever getting a university

education before; and if they are living at home and going to university they are well cared for. I am speaking of another veteran's case, not so much of the young fellow who is able to live at home with his family but rather of the young fellow who in order to take a special course has to go away to some university at a distant point, for instance such as at McGill, he is inadequately cared for at the present time. I know a boy who came down to McGill to take a special course of the type I have just referred to, and when I last saw him he had lost about 12 pounds while taking the course. I admit it is a strenuous course, so was the service strenuous; the simple fact of the matter is that this lad is not getting enough to eat. I do not think we should adopt the attitude in this committee that these are at all sufficient, or that the man should afford all of his time—that is not the intent of the legislation, neither is it the desire of most of the boys. The main thing is this, that we should recognize that it is a generous contribution, a generous assistance to the lads. But I will say this, I think we should make sure in addition to that that it is adequate, that he will not be restricted in the university to which he must go for a specific course. I do not think that a man who wants to take a degree in physical education who has to go to McGill for instance should have to take scientific agriculture because he cannot live on \$60 a month in Montreal, although he might be able to live on that at some places such as the universities in Saskatchewan and Manitoba. I think we should devote ourselves to that aspect of it, not just saying whether it is generous, or whether it is not generous. In the smaller universities I am satisfied that it is adequate. I have not had a single serious complaint from any western university, the only ones I have had are from the lads going either to McGill or Toronto, and I have a lot of sympathy with them.

Mr. PEARKES: I do not feel quite so concerned about those lads who are taking these university courses as I do about the men who cannot get jobs now; and I really do not believe that allowance is adequate.

Mr. MUTCH: I certainly do not think it is.

Mr. PEARKES: And we have a large number of men in British Columbia who have been demobilized and who have no jobs at the present time. I saw the *Victoria Colonist* this morning. It carried big headlines, one job for every four applicants. That is the situation existing in British Columbia. The day before yesterday I had a wire from the Britannia branch of the Canadian Legion which said that they were very much concerned about the length of unemployment for men who have just returned from service and now cannot find jobs. There are not houses in British Columbia. They have got to do the best they can to rent accommodation which is extremely difficult at the present time. I am very doubtful whether there should be a difference made between the man who takes a course for vocational or university training and the man who is looking for a job. With all deference to the deputy minister I am not quite certain that the story of the difference in the type of clothing he wears really makes \$10 worth of difference.

Mr. GUNN: I have been deferring these remarks until the merits of this particular key section, as Mr. Green has called it, had been considered. They are going to be very brief. One minute will do. I am suggesting, however, that some improvement can be made in the drafting. The suggestion has come to me just now that the reference to monthly allowances might tend to restrict the administration to some extent. Therefore I am suggesting that the word "monthly" be deleted from that first part there. Then in (a) I am suggesting that it can be improved by putting in before the word "veterans" the words "or in respect of".

Mr. MUTCH: "To or in respect of".

Mr. GUNN: Yes. The purpose of that is to take care of dependents, of course.

The CHAIRMAN: That is the third line of the clause.

Mr. GUNN: In the third line. I think that the subject matter of (b) can be introduced as a new sub-paragraph making it No. 4. I am suggesting that these words be introduced there as paragraph 4:—

(4) are pursuing courses of educational training.

The CHAIRMAN: That will be 4?

Mr. GUNN: Yes. Now, by eliminating (b) we have no use for (a) so consequently the colon after "war" ought to be deleted and that line continued and then 1, 2, 3 and 4 become (a), (b), (c) and (d) respectively.

The CHAIRMAN: I think that does improve the draftsmanship of the section.

Mr. GUNN: Thank you, Mr. Chairman.

The CHAIRMAN: Is that satisfactory?

Mr. GREEN: You leave out vocational and technical?

The CHAIRMAN: No, "are pursuing courses of vocational, technical, and under-graduate" and so on.

Mr. GREEN: Merely educational training. This is a broad jurisdictional clause.

The CHAIRMAN: In the light of what they have done in other matters I would not leave anything out.

Mr. GUNN: The particular kinds of educational courses are dealt with by their respective clauses.

The CHAIRMAN: But this is a general clause covering them all. Would there be any objection to, "are pursuing courses of vocational, technical, and under-graduate or post-graduate training?"

Mr. GUNN: You have got to include pre-matriculation. It is going to be cumbersome. I think "educational" covers everything in view of the fact that we deal specifically with the various kinds of training later on in the bill.

Mr. WOODS: Why not just "training"?

Mr. GUNN: That was thought of, too, but somebody might come along and say, "What about military training" or training for the ring or something of that nature? I think "educational training" would be embracing enough.

Mr. GREEN: That is not what the public generally understand. They would not understand that to cover vocational training.

The CHAIRMAN: I have in mind the last ruling that was made by somebody in regard to these supervisors who were pensioners and who thought when it was provided they would get training that that included educational training. I understand that a ruling has been made it only includes vocational training.

Mr. GUNN: I do not know anything about that.

The CHAIRMAN: That is the last ruling which has been made.

Mr. GUNN: I do not know anything about that.

The CHAIRMAN: And that sort of thing alarms me, these narrow interpretations.

Mr. GUNN: Apropos your last remarks I do not think that a too restricted interpretation could possibly be given to the subject matter of the bill in view of the fact all these various kinds of training are specifically dealt with.

The CHAIRMAN: How would that read then?

Mr. GUNN: "Are pursuing courses of educational training".

Mr. SKEY: Mr. Chairman, may I ask who makes these rulings?

The CHAIRMAN: I am getting more curious all the time about it.

Mr. SKEY: Probably the deputy minister can enlighten us. Whence do rulings such as the one the chairman has just described come?

Mr. WOODS: I am in the same position as counsel for this department. I had never heard of the ruling, but rulings are usually procured from the Department of Justice. When you are in doubt if you seek an opinion that is the government legal body from which you procure the opinion.

The CHAIRMAN: You cannot blame the members of our department if they see words which do not fully cover the matter. Then they get more or less worried about making payments, refer it and get an opinion.

Mr. SKEY: Where do they refer it?

The CHAIRMAN: Generally to the Department of Justice.

Mr. WRIGHT: Would there be an appeal on the part of veterans' organizations against a ruling of the Department of Justice with respect to interpretation of one of these bills?

The CHAIRMAN: I think what would happen is there is no appeal because Treasury would say that if Justice has ruled these payments cannot properly be made under the Act as passed then nobody would pay the money.

Mr. QUELCH: Is it not true that very often it is the Treasury Board which refers these questions to the Department of Justice?

The CHAIRMAN: In the case of the South African nurses, for example, they found that payments were being made which technically were not covered. It is their duty to see that money is not paid out that should not be paid out so right away the matter is referred for an opinion and then you get your opinion. That is why I want to be sure if we drop anything out of here we are not crippling ourselves in anything we are doing.

Mr. MUTCH: Will you entertain a motion to adjourn while we consider it?

The CHAIRMAN: I think the suggestion of the deputy minister for providing courses of training as provided herein would cover everything that is provided for in the Act.

Mr. MUTCH: As provided herein.

The CHAIRMAN: As provided herein or hereafter. I think we cannot finish this. We might leave this sub-clause over. It is now nearly 4 o'clock. When does the committee wish to meet again?

Mr. QUELCH: How late does the House sit to-morrow?

The CHAIRMAN: Likely what will happen is, judging by what has happened on previous occasions, that an announcement will be made that if good progress is made in the morning and afternoon we will adjourn for the evening. So that generally good progress is made and we do adjourn for the evening. However, that is only my prediction. I think, though, we have perhaps all worked so hard this week that we should adjourn over until 4 o'clock on Monday next.

Some Hon. MEMBERS: Agreed.

The committee adjourned at 3.55 p.m. to meet again on Monday, December 3, at 4 p.m.

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SESSION 1945
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 29

Monday, December 3, 1945

WITNESSES:

- Mr. W. S. Woods, Deputy Minister of Veterans Affairs;
- Mr. W. G. Gunn, Counsel, Department of Veterans Affairs;
- Mr. J. C. G. Herwig, General Secretary, Canadian Legion of the B.E.S.L.

OTTAWA
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1945



MINUTES OF PROCEEDINGS

MONDAY, December 3, 1945.

The Special Committee on Veterans Affairs met at 4.40 o'clock p.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Ashby, Bentley, Brooks, Croll, Cruickshank, Emmerson, Fulton, Gauthier (*Portneuf*), Gillis, Green, Harkness, Harris, (*Grey-Bruce*), Herridge, Jutras, Lennard, McKay, Merritt, Moore, Mutch, Pearkes, Probe, Quelch, Ross (*Souris*), Sinclair (*Vancouver North*), Tremblay, Tucker, Winters.

In attendance: Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mr. W. G. Gunn, Counsel, Department of Veterans Affairs; Mr. J. C. G. Herwig, General Secretary, Canadian Legion of the B. E. S. L.

The Committee discussed procedure and it was agreed that consideration of the Rehabilitation Allowances bill be completed and the bill reported before proceeding to other business.

Consideration of the Rehabilitation Allowances bill was resumed.

Mr. Herwig was recalled, submitted a prepared statement (which is printed as Appendix "A" to this day's minutes of evidence), was questioned thereon and retired.

Mr. Green moved that the Committee recommend that consideration be given by the Governor in Council to increasing the rates set forth in Part 1 of the *Schedule of Rates* in the Post-Discharge Re-establishment Order by at least \$10.00 per month.

The question having been put, it was resolved in the affirmative on division.

Clause 3 was deleted and the following substituted therefor:—

3. Subject to the provisions of this Act, the Minister may promote the rehabilitation of veterans of the war by making allowances to veterans who

- (a) are temporarily incapacitated from performing work,
- (b) are out of work,
- (c) are awaiting returns from a business, or
- (d) are pursuing courses of educational training.

Clause 3, as amended, was adopted.

Clause 4 was adopted without amendment.

Paragraphs (c) and (d) of sub-clause (2) of clause 5 were deleted and the following substituted therefor:—

(c) for a time of employment exceeding twelve months accumulated within the period prescribed in paragraph (b) of this section;

(d) who would, if his application were a claim for benefit under the Unemployment Insurance Act, 1940, be disqualified for benefit thereunder by reason of paragraphs (a), (b), (c), (d) or (e) of section forty-three thereof;

Clause 5, as amended, was adopted.

Sub-clause 3 of clause 6 was amended by deleting the words *or was in receipt of any other allowance under this Act* in the sixth and seventh lines thereof.

At 6 o'clock p.m. the Committee adjourned until Tuesday, December 4, at 4 o'clock p.m.

A. L. BURGESS,

Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

December 3, 1945.

The Special Committee on Veterans Affairs met this day at 4.40 p.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: The first item I wish to refer to is we have another fifteen minutes proposed speech in regard to the treatment regulations, and so on, which has been prepared by our department for use of the members of the committee. That will be distributed by the secretary. I also procured a copy of a broadcast by the deputy minister on Friday, November 23. I thought it would be of interest to the committee and I had it mimeographed. That will be distributed to the members of the committee for any use they care to make of it. (Whereupon certain discussion took place off the record).

Mr. CROLL: Let us get on the record. We have been off the record long enough. I want to move that this committee recommend to the government that they proceed with the Veterans' Land Act bill at this session.

The CHAIRMAN: I wonder if certain things are quite clear. The first thing is there will be a reference to this or a similar committee in the same terms at the next session of parliament. The next thing is we will be able to discuss anything under that reference that we have discussed in this particular session. We will be able to recommend to the government that they consider introducing certain amendments to the Veterans' Land Act. Then, if an amendment is moved along the lines that have been suggested it would inevitably be ruled out of order as involving the expenditure of money and could not be introduced by other than a minister of the government. Therefore, in agreeing to anything we may be agreeing to nobody is giving up any rights whatsoever. That is very clear.

The next matter is that we have this motion, and I have told the committee as clearly as I can that a motion of this committee will not change the situation if there is one group in this House prepared to go on the floor of the House and debate the thing for a day or two days. It is a matter of agreement. I understood from Mr. Bentley if he was sure that this matter could be discussed in the committee next year and that he could move that the government give consideration—and that is all that can be moved in this committee—to some such amendment as has been talked about he is quite prepared to let the Veterans' Land Act go through on a statement of the position of their party on the matter. That would enable it to go through in a couple of hours.

I understood that he felt that he was speaking for the C.C.F. party. I am wondering if that is correct. If it is that ends the matter. We can proceed with the bill because I can assure the Prime Minister that it has been agreed upon that it shall go through with the minimum of debate with the idea that the matter will be reconsidered at the next session. I said before that if the C.C.F. would assure me of that that would end it. Now I am again in that position. I gather that the only possible dissident to that is Mr. Gillis. He is a free agent, and if he says so we will try and get the thing put on, but I do not want any misunderstanding about it.

Mr. GILLIS: What do you want me to say now?

Mr. CROLL: Nothing.

The CHAIRMAN: I want to know if you agree with Mr. Bentley in the matter that there will be no amendment moved in the House and no extensive debate, that your party will be content to state its position, as the Social Credit and Conservative parties intend to do, which position is, as I understand it, that the bill does not go far enough in certain directions.

Mr. GILLIS: I can give you the assurance that I will not take part in the debate at all. It is up to the farmer members.

Mr. CROLL: That settles it.

Mr. PROBE: Our group is agreed if we have the proper assurance that we will have an opportunity in the committee next session to reintroduce the point we think is important we will not block the legislation by extensive debate. We are quite happy about that, but we are not yet sufficiently assured that we will have an opportunity in the committee next session. That is the whole point, and if you can break that down very quickly we can go on with the business.

The CHAIRMAN: What was stated before was not on the record, but it has been stated previously that this committee or a similar one will be set up at the next session and that the terms of reference will be as broad which will mean that this committee will be able to discuss amendments to the Veterans' Land Act and recommend that the government consider amending the Act in any way that the committee decides it should be amended.

Mr. BENTLEY: That is on the record now?

The CHAIRMAN: Yes.

Mr. BENTLEY: That is all I ask.

The CHAIRMAN: I will advise the Prime Minister that if he and the other party leaders will give consideration to introducing this bill there will be no extensive debate and it will be permitted to go through as the minimum of agreement to date.

We were considering the post-discharge re-establishment order. I feel, gentlemen, that if we are going to consider some of these other matters to any extent unless we can agree to this bill to-day in the hope of getting it through the House we are not going to be able to give much time to these other matters. If it is your wish to have it put through I would urge that we pass these measures with a minimum amount of debate. We were on section 3. There was a proposed amendment. I wonder if the solicitor has anything to say about it to-day further than what he said at the last meeting.

Mr. GUNN: No, nothing further.

The CHAIRMAN: Have you studied that amendment? Are you satisfied that it enables you to carry on as you have done in the past, Mr. Woods? While the deputy minister is looking at that may we consider clause 4?

Mr. GREEN: Before you leave clause 3, that is the key section of the bill. For the benefit of those members who were not here on Friday we had some discussion about the rates that are payable. At the present time these rates are set out in a schedule to the post discharge re-establishment order which is P.C. 5210 passed on July 13, 1944. Apparently under the new bill there will be no rates shown at all. The rates are not to be a schedule to the bill although they were a schedule to the order in council. Personally I think it would be wiser to have them actually set out as a schedule to the bill. However, at the moment I am not pressing that point. I do suggest to the committee that some of the rates at least are too low to meet present conditions. I think perhaps they all should be increased but I propose to deal particularly to-day with part 1 which covers

out of work benefits, awaiting returns, and temporary incapacitation. You will find this on page 394. The rate set out is \$50 for a single man and \$70 for man and wife. I think those should be increased to at least \$60 for the single man and \$80 for the man and wife, the latter rates being the rates now payable in the case of vocational and educational training. I do not think these men can get by decently on the allowance of \$50 for a single man and certainly not on \$70 if married. I should like to move that we recommend that the rates under part 1 be increased to \$60 and \$80, at least.

Mr. PROBE: That would be \$10 right across the board. I drew attention to a statement made the other day by the deputy minister to the effect that these were in every case supposed to be above the benefits of the Unemployment Insurance Act. On investigation Mr. Woods found that was not quite true. There was one category, single men, where they did not receive as great a benefit under the terms of this proposed Act as they would were they taking advantage of the unemployment insurance.

Mr. Woods: \$1 a month less.

Mr. PROBE: For that reason I feel we should keep these rates above the unemployment insurance benefits in order that a man would not begin to draw on any unemployment insurance to which he had entitlement until he had exhausted the twelve months benefit granted by the Department of Veterans Affairs. Therefore, I should like to support Mr. Green.

Mr. Woods: It is perfectly competent for the committee to make a recommendation to increase the rates. I presume that the place to do that would be in the committee's final report. I am not so sure I am in agreement with Mr. Green's suggestion that the rates should be embodied in the bill itself. If you do that you tie our hands. The administration has recommended to the government on three different occasions that the rates be increased, and I have not any doubt that grounds will exist again for our again recommending an increase. At the present time so far as training rates are concerned the universities at our last meeting, which was held while this committee has been sitting, have undertaken to examine the cost of living in their various communities. If we were to stampede at once on impressions we have gathered and lay down a scale of rates in the Act our hands would be tied. There are such variable conditions. For example, at the Kemptville Agricultural College where we have students attending the charge per month for room and board is \$30. I am not suggesting that \$30 a month is adequate anywhere else in the dominion. I am only suggesting to you that the university committee has undertaken that they will examine costs particularly in such centres as British Columbia, Toronto, Montreal, and so forth. We will have more reliable statistical data to support any recommendation that we may make regarding a change in the training rates.

Mr. GREEN: This is the day for undertakings, apparently. All I was afraid of was that the minister or deputy minister might cut the rates. If we can have an undertaking that they will not be cut I will not press the point that they be included as a schedule.

Mr. CROLL: While you are in that mood, Mr. Woods, would you consider this? It may have been considered. If I recall properly, you increased the rate that a man could earn from \$40 to \$75 while undergoing training in the university. Am I right on that?

Mr. Woods: Yes.

Mr. CROLL: And the committee was in agreement with you. That is quite all right. It just occurs to me that you may have pensioners at the university who are not able to earn, whose need is there.

Mr. Mutch: Their pension is cut.

Mr. CROLL: You need not give an undertaking, but at the same time are you giving thought to the position of those men and trying to give to them the same sort of deal as you are giving to men who are not pensioners and who are able to go out and earn?

Mr. WOODS: There is a differential in the treatment of the pensioner whereby part of his pension is taken into consideration.

Mr. CROLL: But you see what I am getting at.

Mr. WOODS: Yes. But his income with the allowance will in every case exceed the income of a man who is not a pensioner; that is to say, from the pension and training allowance his income in every case will exceed the income that a non-pensioner gets.

Mr. CROLL: But will it exceed the amount that the other man is permitted to earn?

Mr. WOODS: He will have the same privilege.

Mr. CROLL: Oh, no, he does not. He has the same privilege, but that does not do him any good because he is handicapped or he would not be getting the pension. He is handicapped. So it is not open to him.

Mr. WOODS: Our concept of the pensioners' ability to earn has changed tremendously from the facility with which we have been able to place seriously disabled men in employment.

Mr. CROLL: I hope I have pricked your conscience on that.

Mr. QUELCH: Mr. Chairman, I am wholly in agreement with the idea of having the rates increased from \$50 to \$60, \$70 and \$80. I might point out the main complaint I receive has not been regarding the amount paid but rather the fact that the amounts already shown are very seldom paid in so far as the men awaiting returns from a farm are concerned, that too much is deducted for rent or due to the fact that maybe an individual is getting a small amount from cream cheques. These men point out that they have quite heavy expenditures immediately they go on a farm which will swallow up any little bit of money they may obtain from cream cheques, and offset the value of getting free rent. Therefore I do suggest to the deputy minister that consideration should be given to giving every latitude to men who are on farms awaiting returns, so that they will not be penalized just on account of getting a few small cream cheques.

Mr. WOODS: I am not sure whether or not Mr. Quelch was here the other day when assurance was given that the recipient is permitted to offset any income he receives by the cost of overhead, such as for example where he must buy feed for his cattle. That is taken into consideration when computing the income from it. But I will look into the matter of just how many are receiving less than the maximum.

Mr. MUTCH: They should charge for processing the hay and the cream.

The CHAIRMAN: I should say, gentlemen, that Mr. Herwig has been good enough to make a further submission on this matter, consisting of a little over two pages, on behalf of the Canadian Legion. I think perhaps we should have him, with your consent, present it to the committee because we naturally would like to have the view of the veterans in the matter. You did not get any extra copies mimeographed, did you, Mr. Herwig?

Mr. HERWIG: Yes.

The CHAIRMAN: Then perhaps if we were to have those distributed, you could just epitomize it and then the committee will have it on the record.

Mr. MUTCH: What is this?

The CHAIRMAN: It is on this very thing. You could just give the meat of the submission, Mr. Herwig.

Mr. J. C. G. HERWIG, General Secretary, the Canadian Legion of the British Empire Service League, recalled.

The WITNESS: Mr. Chairman and gentleman, in the brief that was presented by Mr. Walker there were two items that were not developed in argument in any way so we thought you would not mind our clearing up that matter or extending it. This submission extends the thought on the two items, that is university and vocational training and university and vocational allowances. I will read them to you. The first recommendation was:

University and Vocational Training:

The Legion desires to point out that any veteran who selects vocational or university training has the cost deducted from his re-establishment credit, and recommends that this training be made available without any charge against his re-establishment credit.

The other one, which pertains to this discussion just now, reads in this way:

University and Vocational Allowances:

The existing scale of allowance for university or vocational training is inadequate, especially in large centres of population. The lack of proper provision for food and shelter and the cost of books and other educational supplies in many cases defeats the purpose of this legislation, and the Legion recommends an increase in allowances.

I think you have covered quite a few of the points we bring out, with the exception of perhaps one which relates to married folks. Married folks, of course, sometimes have children and there is no provision for a child born; I mean, the allowance would not take care of expenses of confinement; and there are other expenses that might develop which ought to be given some consideration. Whether all emergencies can be taken care of by an additional allowances, I am not prepared to say.

Mr. LENNARD: I would move that this be put on the record, Mr. Chairman.

The CHAIRMAN: Yes.

Mr. LENNARD: Without too much discussion now. If it is all going to be read now, it is going to take the next half hour.

The CHAIRMAN: Mr. Herwig is just going to epitomize it.

The WITNESS: There is one other point. I will leave the vocational training aspect of it and speak about the out-of-work benefit. The out-of-work benefit is largely administered under certain regulation of the Unemployment Insurance Act, section 43, which reads in part in this way:—

(a) If he has lost his employment by reason of a stoppage of work, which was due to a labour dispute at the factory, workshop or other premises at which he was employed, except where he has, during a stoppage of work, become bona fide employed elsewhere in the occupation which he usually follows...

and so on. The point is that if he is out on a strike, the veteran does not receive out-of-work benefit. Our view is there that the veteran returning from this war who may after a week or two, or perhaps two or three months, be employed in a firm such as, say, the Ford company, and then strike occurs—He has very little to do with the strike. He may have very little to do with it, and yet he is caught in the unemployment which must result. We feel that the out-of-work benefit ought to be payable to that man.

Mr. CROLL: You lay down conditions there.

The WITNESS: We simply say in our recommendation that it should be paid.

Mr. MUTCH: On condition that he is not participating.

The WITNESS: Yes.

Mr. CROLL: That he is not what?

Mr. MUTCH: Participating or directly interested.

The WITNESS: Participating? He has participated to this extent. In some companies where they have union shops, he would have to join the union, and to that extent he would have to make a monetary contribution and therefore in that sense he may be said to have contributed.

Mr. PROBE: I hope you are not proposing that the veteran does not need to join a labour union.

The WITNESS: No, I am not.

Mr. CROLL: No, no.

The WITNESS: No, I am not. I think I can go a little further and say that the government itself has encouraged the joining of labour unions, and certainly has encouraged collective bargaining and has to some extent helped to create the condition which the veteran finds when he comes back and has to more or less join the union. That being the case, we feel that if a man is put in that situation after a short period of employment, he ought to be taken care of by the out-of-work benefit.

Mr. CROLL: We will try to keep it clear on the record. You mentioned the Ford case. In the Ford case they did not have to join the union, but they did. I think that would be clear. I mean, I agree with everything you say; but they did not have to join the union, although they all did and they are all on the picket line. There is some difference.

The WITNESS: Technically that may be so. But the trouble is this. The fellow looking for a job is not going to question that too closely and does not expect that a strike will occur.

Mr. CROLL: You are right in what you say.

The CHAIRMAN: We will put that on the record, Mr. Herwig; thank you very much.

(Submission by Mr. Herwig appears as Exhibit A.)

The CHAIRMAN: Having in mind what was said by the deputy minister as to why the schedule has not been made part of the Act, may we carry clause 4 without putting your amendment, Mr. Green?

Mr. CROLL: All right.

Mr. GREEN: I think I should like to have my amendment put. I brought the matter up for this reason. We are already running into a very ugly situation on the Pacific coast. There are thousands of men being demobilized there who did not enlist in British Columbia. The larger war plants have either been shut down or greatly reduced their employment. There are thousands of men out of work, thousands of veterans out of work there at this moment; and the reports I get from the city—and I think Mr. Sinclair will bear me out—are very disturbing. I think the whole question of the re-employment of veterans is going to come to a head in the coastal regions of British Columbia. For that reason I think it is important that this committee should decide on whether or not they think that rate set out in part one is adequate.

Mr. CROLL: May I ask Mr. Green a question. Assuming that we all agree with you, do you not think the deputy minister is right and that he may find out before we get back into this that he not only has to raise it \$10 but has to raise it \$15 or \$20? Why not leave it in the regulations rather than in the bill?

Mr. GREEN: My motion has nothing to do with putting it in the bill.

Mr. CROLL: What are you asking for?

Mr. GREEN: My motion is that the schedule of rates set out in part one be increased by the sum of \$10—at least \$10.

Mr. MUTCH: On that point, Mr. Chairman, I am in complete agreement as to the necessity for adjustment of the rates. What I am concerned about at this moment, as a member of this committee, is as to what is the most efficacious way of accomplishing that which we desire to accomplish. Let us assume for the moment that the committee are in agreement that the rates should be raised to \$60 and \$80. I am asking for information. Should we make that recommendation by way of a suggested amendment to this or should we—bearing in mind that since the schedule is not in the bill the discretion lies in the administration—embody in our final report a recommendation that it is the view of this committee, if it is, that this raise should be effected? I am concerned as to just what is the most efficacious way of doing it. It happens that I am in agreement with you, Mr. Green. I do not know whether the committee is.

Mr. GREEN: I presume if the resolution was carried to-day, that recommendation would be included in our report.

Mr. MUTCH: But it is not an amendment.

Mr. GREEN: No. It does not involve an amendment, because there is no schedule set out in the Act.

Mr. CROLL: It is a recommendation.

The CHAIRMAN: I do not think we should carry it now without some thought. I just throw out this thought. I have thought a little bit about the situation in British Columbia and what has happened is not a surprise to me, having served for some time in the army and hearing the fellows talk. The suggestion was that if they got discharged any time around the winter time they were certainly going to go and spend the winter at the Pacific coast. If you raise the amount payable to those who are out of work, are you not going to perhaps create the situation where some one will go to the Pacific coast and attempt to live on this allowance and hunt for work at the Pacific coast?

Mr. SINCLAIR: What is wrong with that?

The CHAIRMAN: There is this: if you people want everybody crowding there where it is impossible to find work for them to do—

Mr. SINCLAIR: Why?

The CHAIRMAN: —and leave places where they could find work—

Mr. SINCLAIR: Where?

The CHAIRMAN: That is something that must be considered. I take it from the suggestions made by the members from British Columbia that they do not want to have all the people that are hunting for work and discharged from the army, congregating in British Columbia. But if they raise those rates, they may find that they have made that perhaps a possible result. Before we pass any such recommendation as that, I think that every member should give a great deal of consideration to just what he is doing.

Mr. FULTON: The situation in British Columbia from the aspect of which you are speaking is just incidental. The situation is this—and I am not trying to minimize it at all—the question is, should the rates be raised or not? The fact that there are a number of men already out of work in British Columbia has been advanced really as one of the reasons why they should be raised.

Mr. GREEN: One of the reasons showing the urgency.

Mr. FULTON: Yes, one of the reasons showing the urgency of the situation.

Mr. MUTCH: We cannot legislate by provinces.

The CHAIRMAN: In most places in this country we can accept it as a fact that a single man can live quite easily for \$50 a month.

Mr. FULTON: There are some places where he cannot.

The CHAIRMAN: Yes. The question for us to decide is, are you going to try to fix the rates so that everyone can go and live in British Columbia.

Mr. GREEN: Oh, that is not the question.

Mr. SINCLAIR: I want to take exception to much that has been said. I do not think anyone in British Columbia takes any exception to these young fellows going to British Columbia to get discharged.

The CHAIRMAN: That has been said on the floor of the House.

Mr. SINCLAIR: By someone speaking about someone from the Yukon taking discharge in British Columbia.

The CHAIRMAN: No, that statement was just recently made in the House.

Mr. SINCLAIR: So far as I am concerned, and the people of British Columbia, you cannot have any better people come there. What is needed out there is work for these men at decent subsistence rates. The government has promised that if they could not get work in private enterprise provision for them would be made through public works, but nothing of that kind has yet been forthcoming. For my own part, I want to say that in my opinion this rate of allowance is quite inadequate for people living in British Columbia.

Mr. MUTCH: But we cannot legislate by provinces.

The CHAIRMAN: I may have misunderstood Mr. Pearkes, but I understood him to say that people who had not lived in nor volunteered from British Columbia should not be brought out there for discharge. If I misunderstood—

Mr. PEARKES: No, that is correct; I suggested that men who had not previously lived in British Columbia, or who had no dependents in British Columbia, should not be demobilized there at the present time.

The CHAIRMAN: I thought that was what you said.

Mr. QUELCH: These out of work benefits are only paid to men who are unable to find employment. And now, employment, as I understand it, means employment of a suitable character. One thing I would like to know is this, would he have to go from the town in which he is living now, is he under obligation to take work away from home, if it is suitable employment?

Mr. WOODS: Yes, if it is suitable employment.

Mr. QUELCH: If a man who is in British Columbia and suitable employment was found for him in Alberta he would be obliged to go and work in Alberta?

Mr. CROLL: What does suitable employment mean?

Mr. QUELCH: Any job which a man has worked before, any work which he is capable of doing and which he usually does.

Mr. CROLL: They have been trying to define it for years and haven't been able to do it yet.

Mr. QUELCH: All he gets is \$50; but, as I said, does it have to be employment at his home town, or can it be employment he is willing to take away from his home town?

Mr. CROLL: If he is willing.

Mr. QUELCH: If he is willing to take it or not, although it may not be in his own district.

Mr. MUTCH: The minister assumes the responsibility if the man is entitled to work and it cannot be found for him; but he has to take work which is provided, if it is suitable.

Mr. QUELCH: I think we should have an announcement from the deputy minister on that.

Mr. Woods: Since we use the facilities of the unemployment insurance commission we are practically bound to take their definition, which applies; except that our officers have been instructed so far as returned men are concerned that they are not to be too sticky as to what suitable employment means. We have had, as a matter of fact, very, very few complaints about the men having been denied. I do not recall a complaint for some months about a man being denied out of work benefits because he has declined suitable employment, what we consider to be suitable employment. I might say a word about out-of-work benefits. I am sure members of the committee will probably reach a decision one way or the other. There are so many angles to it. I am sure the members of this committee would not approve of a situation in which a man, because of his family and the number of children he has, would be making more out of his out-of-work benefits and the family allowance than he would be at this regular wage. It is at the present time possible to augment the out-of-work benefits, or the family allowance, whichever you like, so that the two together may mean that his income would be greater than what he would ordinarily obtain at his usual employment. I am sure the members of the committee would want to avoid that. If you will look at the present scale of out-of-work benefits, \$50 for a single man and \$70 for a married man; \$82 for one child, \$94 for two children, \$104 for three children, \$112 for four children, \$120 for five children and \$125 for six children. If you add the family allowance on to the out-of-work benefit it is conceivable, even possible, that he might increase the income to a point where the man would draw more while he is out of work than he would if he were at his usual work. I am sure you realize that is not a satisfactory situation. What I have to say does not refer to the adequacy of the rate for single men.

Mr. Green: You have power to deal with the man who is not trying to get work.

Mr. Woods: Yes.

Mr. Croll: This coming from the British Columbia members for me finds me a little foxed. If I recall British Columbia at all, and what I have heard about it, it is cheaper to live out there during the wintertime than in any other part of Canada; now, it is, isn't it, as a matter of fact? Even in the last war it was. But despite that fact these British Columbia members feel that there should be an increase in the ordinary, the basic rates, at the present time. That is the feeling. Well, as a result of the information that they have—I have not had a great deal of information or complaint on that score, but I feel that if they are right it certainly costs more money to live in the province of Ontario than it does in British Columbia due, perhaps, to the weather entirely—and the concentration of people in some respects—I cannot see what would be wrong with our making a recommendation, because the matter still rests in the hands of the deputy minister and in the hands of the minister, and if that is the feeling of the committee they may feel that it is not necessary to do it. But on the other hand, I feel—

Mr. Mutch: Straight into their hands, if they want it.

Mr. Croll: On the other hand, I feel that they are as much concerned about where this money goes and how it is spent as we are. I am inclined to support it just to make sure that we do not throw it away. I would be rather inclined to feel that if we gave them the power to do it, it may be easier for them to do it when the occasion arises.

The Chairman: It goes much farther than that. They have the power now to give whatever is consistent with the best economic set up, and so on. They have full power to do that, but as I understand this resolution it is a recom-

mentation that it be done. There are many places in the country to-day, if it is raised like that, where it will pay them to draw unemployment benefits and not seek work.

Mr. GREEN: But they have the power to cut them off.

The CHAIRMAN: How can you say that a man has honestly sought work if you put him in a position where it pays him to be idle? I defy any government department to really see he gets some work, to keep it sufficiently low that it pays him to go to work. The suggestion now is, and that has all been considered and will be considered. And now, I do suggest in all seriousness to this committee that we should not recommend to the government and put them under an obligation to consider that we think that these things should be raised without leaving it in their hands to give it careful consideration having in mind all the factors. They have the power to do it to-day.

Mr. GREEN: Up to \$50 a month.

The CHAIRMAN: No, it is not limited at all.

Mr. MUTCH: They can make it anything they want?

The CHAIRMAN: They can make it anything they want, don't let us be under any misunderstanding about that.

Mr. MUTCH: Would you change your motion, Mr. Green; shorten it down and say that in the opinion of this committee the veterans council should consider the question of the adequacy of \$50 for single men and \$70 for married men, and whether or not it should be raised; rather than saying it is a matter of opinion that it should be raised? You can accomplish the same, thing, and I think that would get around the chairman's objection.

Mr. GILLIS: If they have the power to raise it they also have the power to lower it.

Mr. MUTCH: Yes, I think they would.

Mr. GILLIS: The statement made by the deputy minister a moment ago is certainly an indictment of the unemployment insurance set up. To put a man on out of work benefits above the existing standard of wages when he might still be employed; and when the employment situation is just developing, particularly with the reference to the returning service personnel—we may find ourselves in a short time whether we scale it up or down at a point where the government may deem it good policy to reduce the benefits to force people to take certain kinds of employment. This is not a provincial question, it is a national question. You have the same situation developing right across this country that British Columbia has to contend with. I certainly know it is the same thing in Nova Scotia, provincial wide. I think as Mr. Green's motion merely has reference to single men and married men with wives, that bringing the rates up as he suggested is fair and reasonable. I think they should be fixed—we may not always have Mr. Woods with us, I have great confidence in him, but someone may get in there who is a little more mercenary and who might want to pull it down. It might work the other way. Simply stop it with single and married men.

The CHAIRMAN: This motion stepped it up right across the boards.

Mr. GILLIS: It has nothing to do with basic rates for children.

Mr. GREEN: I would suggest, as a single man and a man and wife. I do not think a single man can get by on \$50, or a man and wife on \$70.

Mr. CROLL: Then you would only change the basic rates?

Mr. GREEN: Yes.

Mr. CROLL: I think myself we should fix them.

Mr. MUTCH: I like the idea of a fixed rate. I do suggest very seriously to Mr. Green that there is no difference in the effectiveness, but there is a difference in the wording of the resolution.

Mr. GREEN: You think it should be that consideration should be given?

Mr. MUTCH: Rather than instruction to do it.

Mr. GREEN: That is all right.

Mr. CROLL: It affords some standard for them.

Mr. ASHBY: We should, I think, look at this matter from this angle; do we want men to work or do we want them to live. Work is a method of obtaining something. It is not an end in itself. If we increase this amount to such an extent that it is possible for a man to remain idle we will accomplish a great deal. I am sure, however, that we should not lose sight of the fact that work is merely a means to an end, not an end of itself.

Mr. MUTCH: We do not accept that.

Mr. ASHBY: And the job is to produce to capacity right now; so let's consider both angles of it.

The CHAIRMAN: Could we have it this way, Mr. Green, as one of our final recommendations, that consideration be given to all the rates set by regulations under this Act to ensure that they are adequate for the purpose?

Mr. GREEN: That is too general.

The CHAIRMAN: That brings up the university rate and all the others, to ensure they are adequate for the purpose for which they are being paid.

Mr. GREEN: I am willing to change it to a recommendation that consideration be given to increasing out of work benefits by at least a sum of \$10 per month.

Mr. CROLL: That is all right.

Mr. MUTCH: That is good enough.

Mr. SINCLAIR: That is for the categories you have mentioned? That has nothing to do with universities?

Mr. CROLL: No, they are going to report on that.

Mr. MUTCH: They have already promised to deal with those by order in council on the university report that was submitted to the committee; isn't that right, Mr. Chairman?

The CHAIRMAN: We will be considering that. They are going to report on it in future, and as soon as it is reported on I suppose it will be reconsidered.

Mr. MUTCH: That was my understanding of it.

Mr. HARRIS: A moment ago I heard Mr. Green say that he did not think \$50 adequate for a single man; why did you say that?

Mr. GREEN: Pardon?

Mr. HARRIS: Why did you say that?

Mr. GREEN: In these matters, of course, one has always in mind what is happening in one's own community.

Mr. HARRIS: Yes.

Mr. GREEN: And these men coming back are unable to get work and are forced to live on the city, and the fact that it is only available for a minimum of twelve months—isn't that right, Mr. Woods?

Mr. WOODS: Yes.

Mr. GREEN: There are ample safeguards to prevent him from getting these benefits where he won't work. And now, I do not think under present conditions any single man can live in Vancouver on \$50 a month; certainly it is going

to be pretty tough going; and, certainly a married man, a man with a wife, cannot live on \$70 a month. It is hard enough for them to live on \$80 a month, and I think there has been some oversight in setting the rate at that figure. I think the condition has not existed hitherto. There have been practically no applications for out of work benefits until the last two weeks, perhaps even within the last few days, so it is only now becoming a vital question. And, if the rates are left as they are at the present time during the winter, I am sure that the result will be not only a great deal of suffering but also a great deal of agitation, which will have a very serious effect on the whole reconversion plan of the country.

Mr. HARRIS: Mr. Chairman, Mr. Green says that the local situation always affects your judgment a bit, consequently I am here to say that these payments are considerably higher than I expected to have them, having regard to my part of the country. \$50 a month for an unmarried man is fairly high pay where I come from, but admit I do not enjoy the benefits of British Columbia tourist traffic or anything like that. But I for one, looking at it locally, am quite opposed to any increase in this payment unless there are special circumstances which show that it does not apply either in big cities or something of that nature. These terms are generous for rural Ontario. There is no question about it, that one in small towns in rural Ontario can live on this, and this includes married people. If it does not apply in Vancouver I will have to vary from this judgment on the matter, but I certainly do not feel like joining in a recommendation that this sum be raised without further consideration.

The CHAIRMAN: Gentlemen, it should be borne in mind that our hope of rehabilitating our troops in houses and homes lies in the fact that certain people will be willing—with all due deference to my friend here—to go out and work at lumbering and so on. I agree with Mr. Green that it may be very difficult to live on \$50 a month in the city of Vancouver, but will he tell me that a man can live more adequately on \$60 a month in the city of Vancouver?

Mr. CROLL: Or \$100 a month or \$200.

The CHAIRMAN: Is that the argument? Where the work of the country has to be done, you are going to denude that in order that people may live in the big cities for twelve months under these unemployment benefits; and what is going to become of our getting these people into work that will assist them to help themselves and to help the nation? All I am saying is this, gentlemen: these things are being studied carefully with a view to carrying out the purposes for which they were passed. Now, it does not matter a whit to me, but I think you have got to believe that the people who are in charge of this administration will give it careful and anxious consideration, and I am sure this committee should not try to tie their hands by asking them to consider a raise, because if they, having gone into this thing, come to the conclusion that a raise would not be in the best interests of our national economy or the veterans themselves, then they will have to turn that down and it weakens our position in regard to any recommendation we may suggest.

Mr. PROBE: That is why we are here.

Mr. BROOKS: Mr. Chairman, after listening to the discussion I agree with Mr. Harris to some extent. It is pretty hard to legislate for the exception. We are here to legislate for all the returned men who will be out of work. Now, it does not seem to me that the great majority of them would require \$60. I know that practically every young man coming back has a home to go to, and if he sees fit to go to British Columbia where it is going to cost him a lot more money, there should be some warning to these men against going away from their homes. Most young men can live, I think, on \$50 a month at their homes while they are unemployed. I think we have to take into consideration the public in general, and we are spending a great many

millions of dollars, and it seems to me we could spend it along some better lines than in increasing the amount of money which is to be paid to young men who want to go to British Columbia or some other part of Canada. I think we should consider this matter very carefully.

Mr. PROBE: Mr. Chairman, in connection with the statement of Mr. Brooks that these young men have homes to go to, may I say that last night C.B.C. carried a news report to the effect that 42 per cent of our returned veterans did not have homes to go to,

Mr. CROLL: Houses. I think they used the term "houses". They were looking for houses for these people.

Mr. PROBE: On the other hand, assuming they can go and live with their aged parents, there is no reason in the world why they should have to sponge on them now because they have no work to go to.

Mr. BROOKS: They do not sponge at \$50.

Mr. PROBE: The policy is not being framed with the intention of keeping all our people out of work, according to the politicians in the last six months; it is to expand employment under excellent working and economic conditions. Let us face up to that. That is what we promised to do. Let us go about it and do it. I know that in my city it is utterly impossible for an individual to live on \$50 a month, and I would say that that is true in the rural areas around my city. I do not know if it is true up in the chairman's area, he may have more housing available for his people; but the biggest single factor is shelter, it has ceased to be food; and a single man cannot get a room for less than \$25 or \$30 a month.

Mr. JUTRAS: Mr. Chairman, the discussion so far has been to the effect that \$50 was not adequate. Apparently some members have very definite views with regard to this amount of \$50. As Mr. Probe has said, \$50 is not a sufficient amount. The question arises in my mind, how can anyone come to the conclusion that \$60 would be adequate?

Mr. PROBE: I am not saying it is adequate.

Mr. JUTRAS: Well, is it?

Mr. CRUICKSHANK: It is \$10 better.

Mr. JUTRAS: If it is impossible to live on \$50, it seems to me that we should not ask to make it \$60 so that everybody will be happy if they will not be any happier than at \$50.

Mr. PROBE: That is right.

Mr. JUTRAS: I think, generally speaking, in western Canada—in my province anyway—\$50 is quite a lot of money if you just live in the country. Just think of all the boys and men who work on farms, and farming is the most general employment in our province, and think of the wages they get on those farms.

Mr. FULTON: They get their board.

Mr. JUTRAS: I did not say they were getting \$50, but think of the salary they get, and compare that salary with the amount of \$50. There is quite a chance that we may create quite a problem. The point I am raising now is that nobody really has made a study of this subject and come to the conclusion that \$50 was inadequate or that \$60 would solve the problem. Are we guessing and asking to make it a little less bad than it is? I think we should leave this question to the minister. Why not leave a recommendation with the minister to the effect that there is a situation there and that a study should be made to improve that situation, but not tie the department down to \$50?

Mr. CRUICKSHANK: Make it a minimum of \$60.

Mr. ASHBY: Why not pay him the \$50 if he will go to work on a farm. I can definitely state that agriculture can take every man returned from this war and give him a job, not merely for an eight-hour day, they can keep him going for eighteen hours.

Mr. CROLL: That is what we are afraid of. That is what bothers us.

Mr. MUTCH: How long after he was being paid \$50 to work for a farmer would he be getting anything from the farmer?

The CHAIRMAN: Mr. Green has made a motion, and if we are going to ever hope to get through this bill we will have to take a vote on it. I understand, Mr. Green, that this is the motion which you are pressing at this particular time: "That consideration be given by the Governor in Council to increasing the schedule of rates set out in part I of the post-discharge re-establishment order in the case of single veterans and married veterans without children by at least \$10 a month."

Mr. WOODS: Mr. Green's resolution is for \$60 to a single man and \$70 to married couples without children.

Mr. GREEN: I wanted to deal with the single men.

The CHAIRMAN: Your idea was if they had one child they would get—do you suggest that is only in the case of the single man and the married man or would you increase the value to married people with one child? Then the people without a child would get as much as the people with one child. Is that what you intend?

Mr. GREEN: I am prepared to meet that situation and say, "by at least the sum of \$10 per month."

The CHAIRMAN: The two?

Mr. GREEN: Put it like that: to those people covered by this part.

Mr. BENTLEY: I did not understand Mr. Green's motion to mean that.

The CHAIRMAN: We will have the motion.

Mr. BENTLEY: If a man is married he would get \$10 more and if he had a child he would still get the allowance.

Mr. JUTRAS: He would get \$92 instead of \$82.

The CHAIRMAN: Increase them all by \$10?

Mr. GREEN: Even at that then they are really in the same category as people undergoing vocational training and university trained people are at the present time.

The CHAIRMAN: Do you think it is fair that when a person is out of work he should get as much as when he is getting vocational training?

Mr. BENTLEY: We are going into that vocational training and university training, anyway, are we not?

Mr. MUTCH: Will you read the resolution?

Mr. GILLIS: With regard to these out-of-work benefits that are paid, is it the policy of the department in the event of a man receiving out-of-work benefits for five or six months and he establishes a disability pension—is it the policy of the department to deduct the out-of-work benefits from the pension?

Mr. WOODS: No, sir.

Mr. GILLIS: It has been done.

Mr. WOODS: I have never heard of it.

The CHAIRMAN: The motion is that "consideration be given by the Governor in Council to increasing the rates set forth in part I of the schedule of rates in The Post-discharge Re-establishment Order by at least \$10 per month." All in favour of that motion indicate.

Carried.

The CHAIRMAN: May we carry clause 4:

4. (1) Subject to subsection two of this section, where a veteran is temporarily incapacitated from performing work or from taking training pursuant to the provisions of this Act by reason of a disability, and is not eligible to care in respect thereof under any other Act or regulation administered by the Minister, the Minister may on application of the veteran pay to him while he is so incapacitated a monthly allowance for a period not exceeding the veteran's period of service or twelve months, whichever is the less.

(2) No allowance may be paid to a veteran under this section:

- (a) for the first thirty days immediately following his discharge if he has received or is eligible to receive a rehabilitation grant,
- (b) for any period during which he is incapacitated more than eighteen months after his discharge.

Mr. QUELCH: This provides for a man being paid for at least twelve months when he is incapacitated. What happens at the end of the twelve months if he is still incapacitated?

Mr. WOODS: These benefits, Mr. Chairman, the out-of-work benefits and benefits to those temporarily incapacitated are for twelve months or the period of service, whichever is the less.

Mr. QUELCH: What happens at the end of the twelve months?

Mr. WOODS: The bill only provides for twelve months. If he is pensioned for a disability he will, of course, draw disability pension, but if he is not pensioned and if his incapacity has nothing to do with his service he has exhausted his rights after the twelve months.

Mr. GREEN: Are you going to leave in that monthly allowance?

Mr. GUNN: I was going to suggest that the word "monthly" be eliminated wherever it is in the bill.

Carried.

The CHAIRMAN: The next is clause 5. It reads:—

5. (1) Subject to the provisions of this section, where a veteran, who is capable of performing and is available for work, is unable to obtain suitable employment, the Minister may on application of the veteran pay to him a monthly out-of-work allowance while he is so unemployed.

(2) An out-of-work allowance may not be paid to a veteran:—

- (a) for the first nine days of his unemployment whether continuous or not;
- (b) in respect of any period during which he is unemployed more than eighteen months after his discharge. Provided: that where a veteran was a patient in or receiving any treatment from a hospital or health institution, or was in receipt of an allowance in respect of temporary incapacity under this Act, during any time within the said eighteen months, the Minister may, in his discretion, extend the period during which he may be paid an out-of-work allowance after the said eighteen months for a further period not exceeding the said time;
- (c) for a total period of unemployment of more than twelve months within the period prescribed in paragraph (b) of this subsection;
- (d) if the veteran would, if his application for out-of-work allowance was a claim for benefit under The Unemployment Insurance Act, 1940, be disqualified for receiving benefit for any of the reasons specified in paragraph (a) or sub-paragraphs (i), (ii) and (iii)

- of paragraph (b) or paragraphs (c), (d) or (e) of section forty-three of the said Act;
- (e) except as prescribed by regulation, to a veteran who is a married woman; or
- (f) for the first thirty days immediately following his discharge if he has received or is eligible to receive a rehabilitation grant.

That is referred to by the Legion.

Mr. GREEN: Does this cover the submission made by the Legion?

The CHAIRMAN: No, because the Legion's submission is, if a man is a member of a union and is out on strike, he cannot receive these benefits.

Mr. BROOKS: Might I ask if a man does not make an application for two months after he is out of work is it made retroactive back to the time he is out of work or does he get it from the time he applies for the benefit?

Mr. WOODS: The date of his application is the effective date. If he permits time to pass and does not apply to us for some months later, it would be very difficult for us to establish whether suitable employment was available at the time.

Mr. BROOKS: He is encouraged to make application at once.

Mr. WOODS: Yes, he is obliged to make application.

Mr. QUELCH: This matter received a great deal of consideration in 1942. I remember at that time many of the committee felt that the allowances should be paid until such time as the veteran was re-established with a certain degree of permanency. There was quite a strong feeling at that time. The present government's policy is full employment, and provided that policy is carried out there should be no difficulty in getting these men re-established within twelve months, but if, on the other hand, the government's policy falls down, why should we penalize the veteran for it? It is not the fault of the veteran if the policy falls down. Therefore I feel that these allowances should be carried on until such time as the government's program of full employment has taken place and these men are re-established with a degree of permanency.

Mr. CROLL: Have you not faith that the government's program will take place?

Mr. QUELCH: No, I have not.

Mr. MUTCH: I have some doubt in my mind as to whether or not this third bill will get through the House at this session. In case it should not I would like to point out to the committee the terms of clause 3 of section 5 under part 1 of the original order in council, P.C. 5210. That section reads:—

(3) Where the Unemployment Insurance Fund has been credited with an amount pursuant to paragraph 18 of this order, the total period for which he may receive out-of-work benefit shall be reduced by one-fifth of the period for which such credit was made.

If this provision is in practice a result will occur which I think was not intended, and which I think the present draft bill would eliminate, but if there is any danger that the bill will not become legislation at this session I think the desirability of eliminating it should be brought to the attention of the department. What it amounts to is that this regulation inflicts the gravest hardship on men with the longest service. For instance, a man with four and half years service since June, 1941, would only be eligible for two months, which was clearly not the intention. I am satisfied that the draft legislation takes care of it, but if this bill is not going to be passed, is there any assurance that will be amended by order in council, regulation or otherwise?

Mr. WOODS: If this bill does not go through at this session we will ask the concurrence of the Governor in Council to an order.

Mr. GUNN: May I suggest a couple of amendments to improve the wording of this clause? The first is with reference to paragraph (c) of sub-clause 2. I think it is a trifle involved, and I am suggesting this as an improvement. (c) will read:—

For time of unemployment exceeding twelve months accumulated within the period prescribed in paragraph (b) of this subsection.

I think that is a little more direct language and means the same thing. There may have been lack of clarity in the original wording.

Mr. FULTON: Would you read that again, please?

Mr. GUNN: Yes. "Any time of unemployment exceeding twelve months accumulated within the period prescribed in paragraph (b) of this subsection."

The CHAIRMAN: That means the same thing.

Mr. GUNN: Yes. It has the same meaning. There was an ambiguity in the wording that was pointed out to me the other day.

Then there is an amendment to (d) of the same subclause. The wording there is rather involved too, and I am suggesting this for your consideration, Mr. Chairman:—

who would be disqualified for benefit under the Unemployment Insurance Act, 1940, by reason of paragraphs (a), (b), (c), (d) or (e) of section 45 thereof.

The meaning is the same, Mr. Chairman, I think.

Mr. GREEN: Is it 43 or 45?

Mr. GUNN: I beg your pardon.

Mr. GREEN: You said 45. The bill says 43.

Mr. BOOKS: 43 is correct.

Mr. GUNN: I am sorry if I said 45. It is 43.

The CHAIRMAN: I wonder if that is correct Mr. Gunn. If he never paid or in no way had any claim under the Unemployment Insurance Act, then it would exclude him under that wording anyway.

Mr. GUNN: Yes.

The CHAIRMAN: This is to provide that if he were entitled to benefits under the Unemployment Insurance Act, and would be disqualified because of certain things, then he is disqualified under this; but your amendment would say that if he would be disqualified under those sections—

Mr. GUNN: I think the effect is the same. We could add that clause that you have just mentioned, such as for example, "who if his application for out-of-work allowance were a claim for benefit under the Unemployment Insurance Act, would by reason of these clauses."

The CHAIRMAN: Yes, that would make clear what you were getting at.

Mr. GUNN: Yes.

The CHAIRMAN: May we declare that carried?

Mr. BOOKS: How does he qualify under the Unemployment Insurance Act, by 15 weeks' work during the period?

Mr. GUNN: No.

Mr. BOOKS: Well, what is it?

Mr. GUNN: He is disqualified for these various reasons.

Mr. BOOKS: Yes. I read 43. But what are the qualifications?

The CHAIRMAN: What you have in mind is how soon a veteran can qualify. Is that not it?

Mr. BROOKS: Yes, under the Unemployment Insurance Act.

Mr. CHAIRMAN: I understand he has got to have 15 weeks' employment.

Mr. BROOKS: That is what I thought; 15 weeks' employment during the year.

Mr. GUNN: That is right.

The CHAIRMAN: Yes.

Mr. FULTON: There is one point I am not quite clear on. In subparagraph (b) down at the end it says, "the minister may, in his discretion, extend the period during which he may be paid an out-of-work allowance after the said eighteen months for a further period not exceeding the said time." I think as one should construe that, "the said time" refers to "the said 18 months." Then what happens when that is read in conjunction with clause 4 of the Act, which gives the minister the right, on application of the veteran, to "pay to him, while he is so incapacitated a monthly allowance for a period not exceeding the veteran's period of service or twelve months, whichever is the less?" I take it this subsection (b), or the part I have just read, is designed to achieve the same object should the period of unemployment occur within that 18 months owing to temporary incapacity. I wonder whether the words "not exceeding the same time" should not be changed to read, "not exceeding the veteran's period of service or 12 months, whichever is the less," the same as you have it in clause 4.

The CHAIRMAN: The purpose of this is to provide the time within which the out-of-work benefit may be paid.

Mr. FULTON: Yes.

The CHAIRMAN: The period in which it may be paid.

Mr. FULTON: That is 18 months.

The CHAIRMAN: Ordinarily it would be 18 months. But if he is in hospital getting treatment, or is in receipt of an allowance in respect to temporary incapacity, then such payment can be made within a further period of 18 months. In other words, in such a case he could receive these payments up to three years.

Mr. FULTON: Should it have occurred within the 18 months' period he might be paid for it, and payment may be made during a period limited to a period equivalent to the veteran's service or 12 months. I was wondering if it should not be the same down here.

The CHAIRMAN: I do not follow you, Mr. Fulton. They can receive payment for the period of their service or 12 months, whichever is the least. That is the total length of the payments they can receive. This provides the time within which they can receive them. If he is receiving payments while incapacitated during the 18 months period, then the time within which he could receive his benefit extends to a further 18 months.

Mr. BROOKS: For a further year, I would say.

Mr. GUNN: No. My understanding, Mr. Chairman, is that the time is extended by the amount of time he spent in hospital during the 18 months' period.

The CHAIRMAN: By the time he is in hospital, up to 18 months; but this stipulates the period of time during which he can receive the payment.

Mr. BROOKS: This means that if he is nine months in hospital and nine months out of work it can be extended a further three months beyond the 18 months.

The CHAIRMAN: It could be extended nine months beyond the 18 months, if he were in hospital for nine months during the first 18 months' time it would be extended a further nine months, making it in all 27 months.

Mr. BROOKS: Mr. Chairman, we should have a black-board here.

The CHAIRMAN: I think that is the meaning of it. May we carry that as amended?

Carried.

The CHAIRMAN: Clause 6.

6. (1) Subject to the provisions of this section, where a veteran engages on his own account in any business and is awaiting returns therefrom, the Minister may pay to him a monthly allowance for a period not exceeding the veteran's period of service or twelve months, whichever is the less.

(2) No allowance may be paid to a veteran under this section in respect of the first thirty days immediately following his discharge if he has received or is eligible to receive a rehabilitation grant.

(3) No allowance may be paid under this section unless application therefor is made by the veteran within twelve months after the date of termination of the war or the date of his discharge, whichever is the later date, but where a veteran was a patient in or receiving any treatment from a hospital or health institution, or was in receipt of any other allowance under this Act, during any time within the said twelve months, the period during which he may make application is extended by the said time. Provided, however, application for an allowance under this section may be made by a veteran within one year after the date of establishment on the land in full time farming or commercial fishing under *The Veterans' Land Act, 1942*.

That also provides that no allowance will be paid for the first 30 days if he has received or is eligible to receive rehabilitation grant. Also these other cases above the time that he is in hospital; also provides for a person awaiting returns under the Veterans' Land Act that he can get these awaiting returns benefits.

Mr. MUTCH: Clause (3) that it provides, "provided, however, application for an allowance under this section may be made by a veteran within one year after the date of establishment on the land in full time farming or commercial fishing under the Veterans' Land Act, 1942". I understand that this will apply in some measure to those men who have also gone into small businesses of their own?

The CHAIRMAN: Yes.

Mr. MUTCH: Awaiting returns; perhaps the committee should take cognizes of the fact that some men going into small businesses at this particular time, or desirous of going in to them, may not be able to do so because of the fact that they are unable to get premises, and in some cases merchandise is in short supply and they would be unable to get it. I was wondering if there should not be some proviso put into this section (3) to take care of them. It seems to me that particularly in the case of small businesses there might be delays over which the applicant would have no control which might limit him unduly.

The CHAIRMAN: I would say in answer to that, if the administration of the Act shows that a situation has developed such as you have described, Mr. Mutch, we certainly can make representations at the next session along that line.

Mr. MUTCH: Let me cite a case; here is a boy who has been all his service on radar and communications and he is anxious to establish himself in a radio business, but he cannot get radios to do business with at the present time, and we do not know when they will be in supply. That is a concrete example of the sort of thing I have in mind. He cannot go into it because he cannot get anything

to sell. And now, is he going to be protected for 14 months until he can get radios in supply?

General BURNS: This matter has been under consideration, and we appreciate the problem that has been raised. No amendment has been suggested by the departmental officials to this particular proviso with regard to such people being established in business because technically we have not enough experience at the present time to enable us to frame a suitable amendment. I think if one could be suggested to us it might meet a certain need.

Mr. Mutch: I think the departmental officials might take that matter under advisement. I have given a specific case. I can tell you reliably that there is no guarantee that those goods will be in supply in eighteen months.

The CHAIRMAN: The same principle is recognized in regard to the Veterans' Land Act. Application for an allowance under this Act may be made by a veteran within a year of the date of the establishment on the land in fulltime farming. So in the case of the Veterans' Land Act they are dating the time from which this can be paid from the time they get started in the business of farming. It seems to me that the department might well consider some such provision in regard to business, and your suggestion will certainly be taken into account. There is a suggested amendment which was handed to me by Mr. Gunn which strikes out the words "or was in receipt of any other allowance under this Act". That is at line 23 on page 4. Would you explain that, Mr. Gunn? Will you explain why you wish those words deleted?

Mr. GUNN: It takes care of the situation where the veteran was in receipt of moneys—that is allowances apart from the provisions of the Act. It was never intended to go in there. I do not know how it crept in there.

Mr. BROOKS: It says "allowance under this Act". It does not say allowances under other Acts.

The CHAIRMAN: It will read now "No allowance may be paid under this section unless application therefor is made by the veteran within twelve months after the date of the termination of the war or the date of his discharge, whichever is the later date, but where a veteran was a patient in or receiving any treatment from a hospital or health institution, during any time within the said twelve months, the period during which he may make application is extended by the said time."—It is the same clause we were discussing under clause 5. Wipe out "or was in receipt of any other allowance under this Act."

Carried.

The CHAIRMAN: Clause 7, "Allowance during vocational or technical training."

Mr. LENNARD: Mr. Chairman, the committee being without a quorum, I move that we call it 6 o'clock.

The CHAIRMAN: Have you counted the committee carefully? Of course, it is 6 o'clock. I am informed by the clerk that there is a quorum. However, we have really made better headway in this last half hour than I had expected. Shall we meet tomorrow afternoon at 4 o'clock?

Mr. HERRIDGE: Before the committee adjourns, I understand that Mr. Herwig is going to make a submission for the Canadian Legion in connection with the veterans' preference at a later meeting?

The CHAIRMAN: Yes.

Mr. HERRIDGE: Could we ask him at the same time to bring forward the Legion's proposals in connection with the veteran's preference on rural mail contracts?

The CHAIRMAN: Yes, we can do that, too.

The committee adjourned at 6.05 p.m. to meet again on Tuesday, December 4, 1945, at 4.00 o'clock p.m.

APPENDIX "A"

VETERANS' REHABILITATION ALLOWANCES ACT

In the Brief presented to the Parliamentary Committee on October 26th last, the Canadian Legion made the following recommendations:—

(1) *University and Vocational Training:*

The Legion desires to point out that any veteran who selects vocational or university training has the cost deducted from his re-establishment credit, and recommends that this training be made available without any charge against his re-establishment credit.

(2) *University and Vocational Allowances:*

The existing scale of allowances for university or vocational training is inadequate, especially in large centres of population. The lack of proper provision for food and shelter and the cost of books and other educational supplies in many cases defeats the purpose of this legislation, and the Legion recommends an increase in allowances."

It has to be recognized that providing education or vocational training for adult veterans presents a different kind of problem than educating youths who are still under the control of their parents. Few boys who left school to enlist, and returned as men, will be able when their education or training is complete, to return to the family for support or for financial assistance as would normally have been the case had their education not been interrupted. This condition is recognized in the rehabilitation program by the payment of allowances during the training, tuition fees, etc. However, for many there will be a period of adjustment to civil occupation, after education or training has been completed, during which sustenance and working capital will be required.

For instance, in the professional field, dentists and doctors will need equipment. A mining engineer may have to move himself and his family considerable distances to set up in business or take employment. Many will have to postpone re-establishing a home. Tradesmen may have to outfit themselves with tools before they can practise their trade. It may be that this situation could be taken care of by making credits available on a repayment basis, but the Legion believes that a cushion will be necessary in many cases between completion of education or training and the final re-establishment in civil life.

If it is the intention of the Government to abide by the principle that the veteran shall be assured of that place in civil life which he might reasonably be assumed to have attained had he not enlisted, then it seems clear that the postponed education or training because of war service should not be charged against his credit.

Under Agreements made with the Provinces, the Federal Government participates in the cost of apprenticeship training of young men who have left school, at no cost to themselves. Agreements have also been made with some provinces to re-train civilian war workers, at no cost to themselves and with the provision of living allowances. While it is true that the veteran receives his education or training without cost to himself, yet it is not complete re-establishment.

It may be desirable to endeavour to even up as much as possible the rehabilitation benefits to be made available to veterans, yet such cannot be determined on a monetary basis. The young man who decides to devote one to five years in preparing himself for a useful vocation is making an additional sacrifice for

future benefit to himself and his country. For those who elect to follow this course some provision should be made for the period between the termination of education or training and establishment in his profession or occupation, in the same manner that a veteran qualified in a profession or trade whose training or education was not interrupted by war service is assisted to re-establish himself by use of the credit.

Allowances

The Legion believes that no veteran students should find themselves in the position of having to discontinue education or training because of inadequacy of allowances. Many young men are now utilizing their credits to augment their living allowance in the larger centres of population, and the difficulty may not become immediately apparent, but as and when education or vocational training extends into the third or fourth year the problem will become acute unless there is a very substantial reduction in the cost of living.

The inadequacy of the present allowance was recently recognized in respect to married men who were obliged to maintain two homes. Nevertheless, no provision has been made for emergency expenses, such as confinement for a birth. Room rents and the cost of meals in some of the larger universities leave the student with no margin. Reports from all universities give high praise to the manner in which veteran students tackle their studies in their desire to complete them with high standing, as rapidly as possible. The purpose of this benefit must not be defeated because of inadequate allowances. The possibility of earning to augment income appears to be slight and, in any event, allowances may be affected by earnings. A reasonable allowance in congested areas would be \$75-\$80 per month for a single man, and \$120 per month for a married man, under present conditions.

The problem might be dealt with by the establishment of a fund similar to that administered by the Dependents' Board of Trustees, but the emergency needs of both married and single persons would need to be considered.

Out of Work Benefit

Section 5 of the Veterans' Rehabilitation Allowances Act introduces as a principle in determining eligibility for the out of work benefit certain paragraphs of Section 43 of the Unemployment Insurance Act, which read in part as follows:—

"43. An insured person shall be disqualified for receiving benefit—

(a) if he has lost his employment by reason of a stoppage of work, which was due to a labour dispute at the factory, workshop or other premises at which he was employed, except where he has, during a stoppage of work, become bona fide employed elsewhere in the occupation which he usually follows, or has become regularly engaged in some other occupation, but this disqualification shall last only so long as the stoppage of work continues, and shall not apply in any case in which the insured person proves

(i) that he is not participating in, or financing or directly interested in the labour dispute which caused the stoppage of work...."

It is clear that recently returned veterans are quite helpless in any stoppage of work due to strikes. During the war the Government encouraged in every way possible the setting up of collective bargaining. The veteran could have had no hand in the development of these unions and in certain types of employment had no alternative but to join the union concerned in order to secure employment. To deprive him of out of work benefits, therefore, seems unreasonable and unfair. As the Act now reads, a veteran who joins a union in order to secure employment, and works only a few days before a strike is declared,

is deprived of out of work benefit at a time when he most needs it. A recent enquiry made into the situation at Windsor disclosed approximately some 1,800 veterans registered as unemployed, some 400 of whom were on unemployment insurance benefit and only 150 of whom were receiving the out of work benefit.

The Legion submits that the provisions of Section 5 of the Veterans' Rehabilitation Allowance Act should be modified to enable those veterans to receive out of work benefits who find themselves out of employment due to strikes which they could have had little or no influence in bringing about.

Ottawa, Ontario, December 3, 1945.

Canada - Veterans Affairs, General
Committee on, 1945
SESSION 1945

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HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 30

Tuesday, December 4, 1945

WITNESSES:


Mr. W. S. Woods, Deputy Minister,

Mr. W. G. Gunn, Counsel, and

Mr Arthur W. Crawford, Superintendent of Vocational Training, Department of Veterans Affairs;

Mr. T. R. Walsh, Legal Adviser, Unemployment Insurance Commission.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1945



REPORT TO THE HOUSE

TUESDAY, December 4, 1945.

The Special Committee on Veterans Affairs begs leave to present the following
as its

SIXTH REPORT

Your Committee has carefully considered the Post-Discharge Re-establishment Order and supplementary Orders in Council relating to grants for vocational and educational training and other rehabilitation benefits.

Its conclusions to date are embodied in a proposed bill intituled "An Act to Provide Rehabilitation Allowances for Veterans" a draft of which is annexed hereto, and it recommends that the Government give consideration to the introduction of such a Bill.

All of which is respectfully submitted.

W. A. TUCKER,

Chairman.

DRAFT OF A PROPOSED BILL

INTITLED

AN ACT TO PROVIDE REHABILITATION ALLOWANCES FOR VETERANS

His Majesty, by and with the advice and consent of the Senate and the House of Commons of Canada, enacts as follows:—

Short Title

1. This Act may be cited as *The Veterans Rehabilitation Act*.

Interpretation

2. In this Act, unless the context otherwise requires,
- (a) "child" means a child who, if a boy, is under the age of sixteen years or, if a girl, is under the age of seventeen years;
 - (b) "Department" means the Department of Veterans Affairs;
 - (c) "dependent" means the wife, child or parent of a veteran maintained by him or for whose maintenance he is legally responsible and a daughter of the veteran, seventeen years or over, or other person who, being competent to do so, has assumed conduct of the veteran's household and care of his children, and includes,
 - (i) a child legally adopted by the veteran and maintained by him,
 - (ii) a step-child of the veteran maintained by him,
 - (iii) an illegitimate child of the veteran acknowledged or maintained by him, and where the veteran is a woman, having been born during service or within nine months thereafter and being maintained by her,
 - (iv) a woman who, although not legally married to the veteran was living with him at the time of his enlistment and on whose account dependents' allowance was being paid by the Department of National Defence.
 - (d) "discharge" means any honourable termination of service from the forces since the tenth day of September, 1939, and "discharged" has a corresponding meaning;
 - (e) "forces" means the naval, military or air forces of His Majesty;
 - (f) "rehabilitation grant" means "The Rehabilitation Grant" designated by the Orders in Council of December 19, 1940 (P.C. 7521), February 5, 1941 (P.C. 890), May 19, 1941 (P.C. 3544), April 4, 1944 (P.C. 2349), and October 2, 1941 (P.C. 6358);
 - (g) "Minister" means the Minister of Veterans Affairs;
 - (h) "out-of-work allowance" means an allowance paid to a veteran under section five of this Act.
 - (i) "pensioner" means a veteran who is in receipt of a disability pension under the provisions of the Pensions Act;
 - (j) "period of service" means time served on active service in the forces, excluding therefrom any period of absence without leave or leave of absence without pay, or time served while undergoing sentence of penal servitude, imprisonment or detention, or period of service in respect of which pay is forfeited.

- (k) "regulation" means a regulation made under this Act;
- (l) "Unemployment Insurance Commission" and "Unemployment Insurance Fund" have, respectively, the same meaning as in *The Unemployment Insurance Act, 1940*;
- (m) "university" means a university or college of educational standards approved by the Minister;
- (n) "veteran" means
 - (i) a person who has been on active service in the Canadian forces or in receipt of active service rates of pay from such forces during the war, including a person who has served in the Canadian Women's Army Corps since the thirteenth day of August, 1941, and
 - (ii) a person domiciled in Canada who served in the forces of His Majesty other than Canadian forces and was so domiciled at the time he joined any such forces for the purpose of the war.
 and who has been discharged from such forces;
- (o) "war" means the war which commenced on the tenth day of September, 1939.

Rehabilitation Allowances

3. Subject to the provisions of this Act, the Minister may promote the rehabilitation of veterans.

- (a) by making allowances to or in respect of veterans who
 - (i) are temporarily incapacitated from performing work,
 - (ii) are out of work,
 - (iii) are awaiting returns from a business, or
 - (iv) are pursuing courses of training, and
- (b) by paying the costs of such courses of training.

4. (1) Subject to subsection two of this section, where veteran is temporarily incapacitated from performing work or from taking training pursuant to the provisions of this Act by reason of a disability, and is not eligible to care in respect thereof under any other Act or regulation administered by the Minister, the Minister may on application of the veteran pay to him while he is so incapacitated a monthly allowance for a period not exceeding the veteran's period of service or twelve months, whichever is the less.

(2) No allowance may be paid to a veteran under this section:

- (a) for the first thirty days immediately following his discharge if he has received or eligible to receive a rehabilitation grant,
- (b) for any period during which he is incapacitated more than eighteen months after his discharge.

5. (1) Subject to the provisions of this section, where a veteran, who is capable of performing and is available for work, is unable to obtain suitable employment, the Minister may on application of the veteran pay to him a monthly out-of-work allowance while he is so unemployed.

(2) An out-of-work allowance may not be paid to a veteran:

- (a) for the first nine days of his unemployment whether continuous or not;
- (b) in respect of any period during which he is unemployed more than eighteen months after his discharge. Provided: that, where a veteran was a patient in or receiving any treatment from a hospital or health institution, or was in receipt of allowance in respect of temporary incapacity under this Act, during any time within the said eighteen months, the Minister may, in his discretion, extend the period during which he may be paid an out-of-work allowance after the said eighteen months for further period not exceeding the said time;

- (c) for a time of unemployment exceeding twelve months accumulated within the period prescribed in paragraph (b) of this subsection;
- (d) who would, if his application were a claim for benefit under the Unemployment Insurance Act, 1940, be disqualified for benefit thereunder by reason of paragraphs (a), (b), (c), (d) or (e) of section forty-three thereof;
- (e) except as prescribed by regulation, to a veteran who is a married woman; or
- (f) for the first thirty days immediately following his discharge if he has received or is eligible to receive a rehabilitation grant.

6. (1) Subject to the provisions of this section, where a veteran engages on his own account in any business and is awaiting returns therefrom, the Minister may pay to him a monthly allowance for a period not exceeding the veteran's period of service or twelve months, whichever is the less.

(2) No allowance may be paid to a veteran under this section in respect of the first thirty days immediately following his discharge if he has received or is eligible to receive a rehabilitation grant.

(3) Except as hereinafter otherwise provided, no allowance may be paid under this section unless application therefor is made by the veteran within 12 months after the date of termination of the war or the date of his discharge, whichever is the later date.

(4) Where a veteran

(a) was a patient or receiving any treatment from a hospital or health institution, or

(b) was in receipt of an allowance for temporary incapacity under section 4 of this Act, or

(c) has been delayed in entering business by reason of licensing or rationing laws or by reason of scarcity of the commodities or equipment required by him,

he shall have such additional time for applying for benefits under this section as is involved in the circumstances described in paragraphs (a), (b) or (c) of this subsection.

7. (1) Subject to the provisions of this section, where a veteran takes a course of vocational or technical training which, has been approved by the Minister as likely to fit him for employment or re-employment or to enable him to obtain better or more suitable employment, the Minister may pay him an allowance for the period during which he takes the said course.

(2) No allowance may be paid under this section unless application therefor is made by the veteran within twelve months after the date of termination of the war or the date of his discharge, whichever is the later date, but where a veteran was a patient in or receiving any treatment from a hospital or health institution, or was in receipt of an allowance for incapacity under Section four of this Act, during any time within the said twelve months, the period during which he make application is extended by the said time.

(3) No allowance may be paid to a veteran under this section for a total period of more than twelve months except that, in special cases prescribed by regulation, the allowance may be paid for a period exceeding twelve months but not exceeding the period of service of the veteran.

8. (1) Subject to the provisions of this section, where a veteran,

(a) resumes or commences, within one year and three months after discharge, a course for the purpose of qualifying for admission to a university, or

- (b) resumes or commences, within one year and three months after discharge, a university course, academic or professional, to which he is regularly admitted, or
- (c) because of ill health, or for any other good reason shown to the satisfaction of the Minister, delays resumption or commencement of such course beyond such periods,

the Minister may pay him an allowance for the period during which he takes the said course.

(2) The total period for which an allowance may be paid to a veteran under this section shall not exceed his period of service, except that, if the Minister is of opinion that a veteran's progress and achievements in the course he is taking are such that it is in the interest of the veteran and in the public interest that payment of the allowance be continued during a longer period, the Minister may extend the period during which it may be paid.

(3) No allowance under this section shall be paid to a veteran who, having failed in one or more classes or subjects in any academic year, fails in more than one of the supplementary examinations next offered by the university in any of such classes or subjects.

9. (1) Subject to the provisions of this section, where a veteran resumes or commences a post-graduate course, either academic or professional, in a university within one year and three months after his discharge, or commences such a course as soon as may be after completing an undergraduate course, or where a veteran resumes or commences such a course more than one year and three months after his discharge by reason only of delay caused by ill health or any other cause satisfactory to the Minister and the Minister deems it in the public interest that the veteran should resume or commence such course, the Minister may pay him an allowance for the period during which he takes the said course.

(2) The total period for which an allowance may be paid to a veteran under this section, together with any period for which he is paid an allowance for under-graduate education under section eight of this Act shall not exceed his period of service except that if the Minister is of opinion that a veteran's progress and achievements are so outstanding that it is in the public interest that payment of the allowance be continued during a longer period, the Minister may extend the period during which it may be paid.

10. (1) The Minister may on application of a veteran who is employed pay the cost of a correspondence course of training for the veteran if, in the opinion of the Minister, the course is necessary for the complete rehabilitation of the veteran and is directly related to the occupation in which he is employed, or expects to be employed, but the total amount paid under this subsection shall not exceed the amount of the allowance which might have been paid to such veteran under section seven of this Act for his period of service or twelve months, whichever is less.

(2) The Minister may pay the cost of a correspondence course for a veteran receiving treatment in a hospital or similar institution under authority contained in The Department of Veterans Affairs Act if, in the opinion of the Minister, the course is necessary for the complete rehabilitation of the veteran.

11. (1) Where an allowance is being paid to a veteran under sections seven, eight or nine of this Act, or where such an allowance might be paid but for the provisions of section thirteen of this Act, the Minister may, in accordance with regulations, pay to any university, school or other similar institution,

tuition fees, student fees and athletic fees or other necessary charges and costs of courses of training approved under this Act for, and taken by such veteran, and pay costs of special tuition and training of such veteran received while under treatment in hospitals and similar institutions under authority contained in The Department of Veterans Affairs Act.

(2) The Minister may, in accordance with regulations, pay for the provision of training of a technical, vocational or educational nature, where such training is given for therapeutic and pre-vocational purposes within hospitals and similar institutions under authority contained in The Department of Veterans Affairs Act.

(3) The Minister may, in accordance with regulations, pay to any university, school or other similar institution, such costs as are described in subsection (1) of this section, and pay allowances to any veteran undergoing technical, vocational or education training therein, in accordance with the provisions of sections seven, eight and nine of this Act, where the Minister determines such training is given towards the restoration of the physical or mental condition of the veteran, or in the use by him of devices or appliances which may compensate for loss of physical or mental capacity.

12. Where an allowance is being paid to any veteran pursuant to the provisions of sections four, five, six, seven, eight or nine of this Act, the Minister may in accordance with regulations, pay contemporaneous allowances with respect to any dependent of the veteran.

13. In determining the amount of an allowance to be paid to a veteran under this Act, the Minister may take into account any prospective wages, salary, pension or other income of the veteran and his dependents, if any, for the period with respect to which the allowance is or may be paid.

14. No allowances paid to or on behalf of a veteran under sections seven, eight or nine of this Act shall be subject to taxation.

15. Except as provided by regulation, no allowance may be paid under this Act to or on behalf of any veteran who resides out of Canada.

16. (1) Not more than one allowance may be paid to a veteran under this Act at any time, nor may any allowance under this Act be paid to a veteran while he is in receipt of unemployment insurance benefit.,

(2) Except as otherwise specially provided in this Act, the total period for which a veteran may be paid allowances under this Act shall not exceed his period of service or twelve months, whichever is the shorter period.

17. Notwithstanding the provisions of sections 6 and 7 of this Act, a veteran may apply for an allowance under those sections at any time within one year after the date of his establishment under The Veterans' Land Act, 1942, either in full-time farming or commercial fishing.

18. (1) Notwithstanding the provisions of section 16 of this Act, moneys paid pursuant to subsection (2) of section 10 or subsection (2) or subsection (3) of section 11 of this Act, shall not preclude the veteran from taking any other benefit under this Act or diminish any other benefit to which the veteran may be entitled under this or any other Act.

(2) Notwithstanding the provisions of The War Service Grants Act, 1944, no money paid pursuant to The Vocational Training Co-ordination Act, 1942, shall be regarded as money paid to or on behalf or in respect of a veteran under this Act so as to affect the amount of benefit to which a veteran would otherwise be entitled under The War Service Grants Act, 1944.

Regulations

19. The Minister may with the approval of the Governor in Council make regulations not inconsistent with this Act:

- (a) to prescribe conditions, additional to those provided in this Act, extending the eligibility of veterans for the payment of any allowance or other benefit under this Act;
- (b) to prescribe the conditions on which allowances may in special cases be paid for periods longer than those specified in this Act, where by this Act it is provided that payment during longer periods may be made in accordance with regulations;
- (c) to prescribe the conditions on which allowances payable under this Act may be paid to persons not resident in Canada;
- (d) the amount and manner of payment of any allowance or benefits under this Act to veterans or to or in respect of their dependents, and the manner of computing the amount of any such allowance or benefit payable for any period less than one month;
- (e) to prescribe conditions upon which any allowance or other benefit, which may be paid under this Act, may be terminated;
- (f) to prescribe the conditions upon which payments may be made to universities, schools or other similar institutions under section eleven of this Act;
- (g) subject to the appropriation of moneys by Parliament
 - (i) to authorize and prescribe the conditions on which allowances or benefits in addition to those for which provision is made in this Act may be paid to veterans or their dependents,
 - (ii) to provide for the payment of travelling expenses, including living allowance of any veteran to assist in the rehabilitation of such veteran; and
 - (iii) to prescribe special allowances in the case of pensioners or particular classes of pensioners;
- (h) to prescribe conditions upon which allowances may be paid to or in respect of pensioners and the costs of training of such pensioners where they are found to require training or retraining after the expiration of the time limits imposed by this Act; and
- (i) to provide for any other matters necessary or advisable to carry into effect the purposes and provisions of this Act.

20. All expenditures made under this Act shall be paid out of moneys appropriated by Parliament for the purpose.

Unemployment Insurance Adjustment

21. A veteran who completes fifteen weeks in insurable employment under *The Unemployment Insurance Act, 1940*, within a period of twelve months, whether continuous employment or not, shall for the purposes of that Act be deemed to have been in insurable employment immediately prior to the commencement of the said fifteen weeks period for a period equal to his service in the armed forces after the thirtieth day of June, nineteen hundred and forty-one, and the said insurable employment shall be deemed to have been continuous as nearly as may be without being contemporaneous with any period during which the veteran actually was in insurable employment under the said Act prior to the said fifteen weeks period.

22. As soon as may be after the Unemployment Insurance Commission ascertains that a veteran has completed fifteen weeks in insurable employment, there shall be credited to the Unemployment Insurance Fund out of moneys appropriated by Parliament for the purpose an amount equal to the combined employers' and employed person's contribution under *The Unemployment Insurance Act, 1940*, for a period equal to the veteran's period of service in the armed forces after the thirtieth day of June, nineteen hundred and forty-one, and such combined contributions shall be computed at the average rate of the contributions shown by the veteran's unemployment insurance book to have been paid by him and on his behalf for the said fifteen weeks; and for the purposes of *The Unemployment Insurance Act, 1940*, the veteran shall be deemed to have been *bona fide* employed in insurable employment during the said period of service and all contributions shall be deemed to have been paid under the said Act in respect of the veteran during the said period of service.

23. Where the government of one of His Majesty's allies in the war has agreed to pay in respect of each of the veterans of its armed forces who was domiciled in Canada when he joined such armed forces for the purposes of the war, as soon as may be after the Unemployment Insurance Commission ascertains that he has completed fifteen weeks of insurable employment, an amount equal to the combined employer's and employed person's contributions under *The Unemployment Insurance Act, 1940*, for a period equal to the veteran's period of service in the said armed forces after the thirtieth day of June, nineteen hundred and forty-one, computed at a rate equal to the average of the contributions shown by the veteran's unemployment insurance book to have been paid by him and on his behalf for the said fifteen weeks,

- (a) the word "veteran" in section seventeen of this Act includes a person resident in Canada.
 - (i) who served in the armed forces of such nation,
 - (ii) who was domiciled in Canada at the time he joined such forces for the purpose of the war, and
 - (iii) who has been discharged from such forces, and
- (b) as soon as it has been ascertained that any such person has completed fifteen weeks in insurable employment, he shall, for the purposes of the said Act, be deemed to have been *bona fide* employed in insurable employment during his period of service in the said armed forces and all contributions shall be deemed to have been paid under the said Act in respect of him during the said period of service,

and, in any such case, every amount paid under the agreement shall be paid over to the Unemployment Insurance Fund.

24. If, on making any report on the financial condition of the Unemployment Insurance Fund the Unemployment Insurance Advisory Committee finds that the said Fund has been adversely affected by reason of the provisions of sections seventeen and eighteen of this Act, the Committee shall, in its report under section eighty-four of *The Unemployment Insurance Act, 1940*, state the amount and the manner in which the said fund has been adversely affected as aforesaid, and the Governor in Council may on receipt of the said report take into consideration immediate measures to remedy any depletion of the said fund due to the operation of this Act which depletion shall have been established by the aforesaid report of the Unemployment Insurance Advisory Committee.

MINUTES OF PROCEEDINGS

TUESDAY, December 4, 1945.

The Special Committee on Veterans Affairs met at 4:00 o'clock p.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Baker, Benidickson, Bentley, Brooks, Bruce, Croll, Fulton, Gillis, Green, Jutras, Kidd, Lennard, McKay, Merritt, Moore, Mutch, Pearkes, Probe, Quelch, Tucker, Viau, Whitman, Winters, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister; Mr. W. G. Gunn, Counsel; Mr. Arthur W. Crawford, Superintendent of Vocational Training, all of the Department of Veterans Affairs; Mr. T. R. Walsh, Legal Adviser, Unemployment Insurance Commission.

Consideration of the proposed Rehabilitation Allowance bill was resumed.

Clause 3 was amended to read as follows:

"3. Subject to the provisions of this Act, the Minister may promote the rehabilitation of veterans

- (a) by making allowances to or in respect of veterans who
 - (i) are temporarily incapacitated from performing work,
 - (ii) are out of work,
 - (iii) are awaiting returns from a business,
or
 - (iv) are pursuing courses of training,
and

(b) by paying the costs of such courses of training."

Clause 3, as amended, was adopted.

Sub-clause (3) of clause 6 was amended to read:—

"(3). Except as hereinafter otherwise provided, no allowance may be paid under this section unless application therefor is made by the veteran within 12 months after date of termination of the war or the date of his discharge, whichever is the later date."

Clause 6 was further amended by adding thereto the following sub-clause:—

"(4) Where a veteran

- (a) was a patient or receiving any treatment from a hospital or health institution, or
- (b) was in receipt of an allowance for temporary incapacity under section 4 of this Act, or
- (c) has been delayed in entering business by reason of licensing or rationing laws or by reason of scarcity of the commodities or equipment required by him,

he shall have such additional time for applying for benefits under this section as is involved in the circumstances described in paragraphs (a), (b) or (c) of this sub-section."

Clause 6, as amended, was adopted.

Sub-clause (1) of clause 7 was amended by deleting the words *before the veteran commenced to take it* in the third line thereof and the words *to and monthly* in the sixth line; and by substituting the word *has* for the word *had* in the third line and the word *an* for the word *a* in the sixth line.

Sub-clause (2) of clause 7 was amended to read as follows:—

- (2) No allowance may be paid under this section unless application therefor is made by the veteran within twelve months after the date of termination of the war on the date of his discharge, whichever is the later date, but where a veteran was a patient in or receiving any treatment from a hospital or health institution, or was in receipt of an allowance for incapacity under Section four of this Act, during any time within the said twelve months, the period during which he may make application is extended by the said time.

Clause 7, as amended, was adopted.

Sub-clause (1) of clause 8 was amended by deleting the words *to* and *monthly* and substituting the word *an* for the word *a* in the fourteenth line thereof.

Clause 8, as amended, was adopted.

Sub-clause (1) of clause 9 was amended by deleting the words *to* and *monthly* and substituting the word *an* for the word *a* in the twelfth line thereof.

Clause 9, as amended, was adopted.

Mr. Crawford was recalled, questioned and retired.

Clause 10 was amended to read as follows:—

10. (1) The Minister may on application of a veteran who is employed pay the cost of a correspondence course of training for the veteran if, in the opinion of the Minister, the course is necessary for the complete rehabilitation of the veteran and is directly related to the occupation in which he is employed, or expects to be employed, but the total amount paid under this sub-section shall not exceed the amount of the allowance which might have been paid to such veteran under section seven of this Act for his period of service or twelve months, whichever is less.
- (2) The Minister may pay the cost of a correspondence course for a veteran receiving treatment in a hospital or similar institution under authority contained in the Department of Veterans Affairs Act if, in the opinion of the Minister, the course is necessary for the complete rehabilitation of the veteran.

Clause 10, as amended, was adopted.

Sub-clause (1) of clause 11 was amended by deleting the words *operated by the Department* in the eleventh line thereof and substituting therefor the words *under authority contained in The Department of Veterans Affairs Act*.

Sub-clause (2) of clause 11 was amended by deleting all the words following the words *similar institution* in the fifth line and substituting therefor the words *under authority contained in The Department of Veterans Affairs Act*.

Sub-clause (3) of clause 11 was amended by deleting all the words following the word *capacity* in the eleventh line thereof.

Clause 11, as amended, was adopted.

Clause 12 was adopted without amendment.

Clause 13 was amended by substituting the word *may* for the word *shall* in the second line thereof.

Clause 13, as amended, was adopted.

Clauses 14 and 15 were adopted without amendment.

Sub-clause (1) of clause 16 was amended by adding thereto the word *benefit*.

Clause 16, as amended was adopted.

The draft bill was further amended by inserting the following clauses immediately after clause 16:

"17. Notwithstanding the provisions of sections 6 and 7 of this Act, a veteran may apply for an allowance under those sections at any time within one year after the date of his establishment under The Veterans' Land Act, 1942, either in full-time farming or commercial fishing.

18. (1) Notwithstanding the provisions of section 16 of this Act, moneys paid pursuant to subsection (2) of section 10 or sub-section (2) or sub-section (3) of section 11 of this Act, shall not preclude the veteran from taking any other benefit under this Act or diminish any other benefit to which the veteran may be entitled under this or any other Act.

(2) Notwithstanding the provisions of The War Service Grants Act, 1944, no money paid pursuant to The Vocational Training Co-ordination Act, 1942, shall be regarded as money paid to or on behalf or in respect of a veteran under this Act so as to affect the amount of benefit to which a veteran would otherwise be entitled under The War Service Grants Act, 1944."

Clauses 17, 18, 19, 20, 21 and 22 were renumbered as 21, 22, 23, 24, 19 and 20.

Paragraph (a) of clause 19 was amended by substituting the word *extending* for the word *to* in the second line thereof.

Clause 19 was further amended by relettering paragraph (h) as (i) and by inserting the following paragraph immediately after paragraph (g):—

(h) to prescribe conditions upon which allowances may be paid to or in respect of pensioners and the costs of training of such pensioners where they are found to require training or retraining after the expiration of the time limits imposed by this Act; and

Clause 19, as amended, was adopted.

Clause 20 was adopted without amendment.

Mr. Walsh was called, heard, questioned and retired.

Clause 21 was adopted without amendment.

Clause 22 was amended by deleting the words *and the rate at which the said combined contribution shall be computed is the average of the contributions in the tenth and eleventh lines thereof* and substituting therefor the words *and such combined contribution shall be computed at the average rate of the contributions*.

Clause 22 as amended, was adopted.

Clause 23 was amended by deleting the words *the United Nations* in the first line thereof and substituting therefor the words *His Majesty's allies in the war*, and by deleting the words *were* and *they* in the third line and substituting the words *was* and *he*.

Clause 23, as amended, was adopted.

Clause 24 was adopted without amendment.

Clause 1 was amended by deleting the word (*Allowances*) in the second line thereof.

Clause 1, as amended, was adopted.

The draft bill intituled "An Act to provide Rehabilitation Allowances for veterans" was adopted as amended and, on motion of Mr. Croll, the Chairman as ordered to report to the House accordingly.

At 6.00 o'clock p.m. the Committee adjourned until Thursday, December 6, 1944, at 4.00 o'clock p.m.

A. L. BURGESS,

Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

December 4, 1945.

The Special Committee on Veterans Affairs met this day at 4 p.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: The suggestion has been made, gentlemen, that we might consider sitting between sessions. It ran in my mind that there was no power to do that when the session was prorogued. I have here Beauchesne's Parliamentary Rules and Forms, third edition, page 145, citation 533 which reads:—

Committees may be authorized by the House to adjourn from place to place as may be found expedient—or meet at a particular place, but no committee can sit after prorogation.

In 1873, a select committee was appointed to inquire into certain matters relating to the Canadian Pacific Railway with power to sit after the prorogation; but on close examination, it was found and agreed by the leaders of the House that this procedure was not regular. Sir John A. Macdonald, addressing the House on the subject, on the 3rd November, 1873, said: "On consideration, we found that this House could not confer the power (to sit after prorogation) and for a very substantial reason, because if this Parliament could appoint a committee to sit during the recess it could also appoint a Committee of the Whole House to sit during the recess, and thus the prerogative of the Crown to prorogue would be invaded, and Parliament as a Committee of the Whole might sit indefinitely." It was then arranged that the House should take a long adjournment so as to enable the committee to complete its investigation and frame its report.

The reason why committees were able to sit during the war was that we adjourned instead of proroguing. I just lay that before the committee so that they may know that such a possibility is not open to us.

Mr. MUTCH: So that we will not hear any more about it.

The CHAIRMAN: I believe we are in a position to deal with clause 3, are we, Mr. Gunn?

Mr. GUNN: Yes, I think we are.

First, let me say, Mr. Chairman, that we have several amendments to make to the printed bill; and in that connection I feel that our department owes your committee somewhat of an apology. We have been introducing amendments from time to time, and that arises out of this situation, sir. This bill was prepared with a view to converting that Post-Discharge Re-establishment Order into a statute and was prepared on short notice, very short notice, at a time when we thought the bill was going to come before your committee for consideration or at a time when we thought the order was going to come before you for consideration; and we felt that this might be helpful, to have it in the form of a draft bill. Since that time it has been reviewed by justice and it has been scrutinized from time to time by officers of the department, with the result that certain changes have been put forward. Now I am happy to say that I believe we have our final submission. We hope that you do not think too unkindly of us in that respect.

Mr. MUTCH: As long as you are improving it, it is all right.

Mr. GUNN: With regard to section 3, Mr. Chairman, the amendment that we submit to you to-day is this. It changes the set-up just slightly. It retains the main provisions of the amendment that we proposed to you last day, but adds another section to make sure that the department has the right to pay the costs of the courses of training. With your permission I will read what we propose as an amendment to section 3.

The CHAIRMAN: Yes.

Mr. GUNN: It reads as follows:

"Section 3

Subject to the provisions of this Act, the minister may promote the rehabilitation of veterans

- (a) by making allowances to or in respect of veterans who
 - (i) are temporarily incapacitated from performing work,
 - (ii) are out of work,
 - (iii) are awaiting returns from a business, or
 - (iv) are pursuing courses of training; and

- (b) by paying the costs of such courses of training."

You will observe, Mr. Chairman, that the last clause (b) is the only main change to that which was tendered to you as an amendment the last day. I can give the reporter a copy of that for the record.

The CHAIRMAN: Gentlemen, that seems to cover everything in clause 3 of the draft bill and to be in more concise form.

Mr. WITNESS: As I understood it to be read, the word "monthly" was omitted from the first line in (a). I do not know whether that was intentional.

Mr. GUNN: That is right. We do not want to appear to fetter the administration by introducing any specific kind of payment. It might be monthly, weekly or semi-monthly.

Mr. GREEN: You are striking "monthly" out all through?

Mr. GUNN: Yes, That is what we agreed to do.

The CHAIRMAN: May we declare that carried?

Some Hon. MEMBERS: Carried.

Section 3 as amended agreed to.

The CHAIRMAN: The next is clause 7.

Mr. GUNN: No, Mr. Chairman, clause 6.

The CHAIRMAN: Oh, yes. There is another amendment to clause 6, subsection (3). Would you explain that, Mr. Gunn.

Mr. GUNN: Mr. Chairman, here is an amendment to section 6. Perhaps I had better read it. This is clause 6, subclause (3):—

Except as hereinafter otherwise provided, no allowance may be made under this section unless application therefor is made by the veteran within twelve months after the termination of the war or the date of his discharge, whichever is the later date.

And then we are adding a new subclause as (4), reading as follows:—

- (4) "Where a veteran

- (a) was a patient or receiving any treatment from a hospital or health institution, or
- (b) was in receipt of allowance for temporary incapacity under section 4 of the Act, or

- (c) has been delayed in entering business by reason of licensing or rationing laws or by reason of scarcity of the commodities or equipment required by him, he shall have such additional time for applying for benefits under this section as is involved in the circumstances described in paragraphs (a), (b) or (c) of this subsection."

The only additional new feature there, Mr. Chairman, is (c) referring to the delay in entering business by reason of the scarcity of supplies.

The CHAIRMAN: Are you providing for the last clause giving a year to apply?

Mr. GUNN: Yes. I am providing for that in another way. I will come to that later. Perhaps it could be deferred. On the other hand, I could give you the substance of the amendment now. It is a new section, as a matter of fact.

Mr. WOODS: Just read it briefly.

Mr. GUNN: I will read it so that it will be before you now, Mr. Chairman. It reads as follows:—

Notwithstanding the provisions of sections 6 and 7 of this Act, the veteran may apply for an allowance under those sections at any time within one year after the date of his establishment under the Veterans' Land Act, 1942, either for full-time farming or commercial fishing.

We have taken that particular subject out of the two clauses in which it now appears and give it the status of a new clause.

The CHAIRMAN: I think that is very good.

Mr. WRIGHT: I should like to ask Mr. Gunn one question. Suppose a veteran comes back and he goes to the Veterans' Land Act office and they tell him they are prepared to re-establish him whenever he has found a suitable land, and he takes six months or a year in finding that land. Is he entitled to payment, under this, during that period?

Mr. WOODS: During the period he is looking for land?

Mr. WRIGHT: During the period he is looking for the land.

Mr. WOODS: No, not unless he comes within the terms of the order in some respect; that he is unemployed and there is no suitable work available. Not unless he comes under the terms of the order.

Mr. WRIGHT: He is unemployed.

Mr. WOODS: In other words, there is no specific provision in the order. There is no specific provision for men who are looking for land, to provide for their maintenance.

Mr. WRIGHT: That is what he meets when he goes to the settlement office. He is told that if he can find suitable land to re-establish himself on, comes back and reports to the board, they will be prepared to make an inspection and consider his application.

Mr. WOODS: I would hope, Mr. Chairman, as a result of the discussion that took place in the committee here when the real estate men were present, that if some arrangement is not effected with them, at least Mr. Murchison will make provision for a like service; that is to say, an adequate listing service from which selection might be made; that either one of the two would happen, either that some arrangement might be reached with the real estate men or in the alternative that the department itself should provide a listing service.

Mr. WRIGHT: There is none at the present time.

Mr. Woods: It is hardly correct to say that there is none at the present time. Mr. Murchison told me of, I forget, the thousands of properties that were listed with him. It is quite natural that there would be in his various offices, properties listed. Much of the discussion took place on Vancouver where it was more a question of scarcity of property than anything else. But where the properties are available for sale, I think you will find they are listed in the offices of the Veterans' Land Act administration.

Mr. Wright: I am speaking of full-time farming, and I happen to know that, in many areas where veterans want to settle, there is not land listed with the board and they have to go out and make their own inquiries and find something that is suitable to themselves. The board has certain listings in certain areas. I quite agree with you there. But they have not by any means got full coverage for the whole of Canada in all the areas in which the veterans want to establish themselves. However, I just raised the point to find out if a veteran in that position could draw this particular benefit.

Mr. Mutch: You would not suggest that, because he is ill or unable to take a farm, he is unemployed or unemployable?

Mr. Wright: No. He is certainly not unemployable but he is certainly unemployed.

Mr. Mutch: I do not know that would necessarily follow.

Mr. Lennard: For goodness sake, let us get down to some order.

The Chairman: Yes. Let us carry on in an orderly way, as Mr. Lennard has pointed out, and I thank him for it. I think if there is discussion like this, it cannot be heard by some other members of the committee.

These amendments, gentlemen, met the point which was raised, to provide for a person getting payments during a period longer than one year after discharge if he is delayed in entering into business from scarcity of goods and so on. In other words, it provides that a man can get payment really after one year, from the time he can get started in business. In other words, if he is delayed for 6 months after his discharge or the end of the war, then he can receive these payments during the period of 18 months. Similarly, if he is incapacitated or in hospital.

Mr. Mutch: You mean, he is eligible for a period of 18 months.

The Chairman: Yes.

Mr. Mutch: He can only draw them for 12 months.

The Chairman: Yes.

Mr. Brooks: That would cover the man who could not get tools of his trade, such as a garageman or others who are finding difficulty along that line.

The Chairman: Yes, equipment required by him. He can draw that during the time he is really awaiting returns from his business for a period of 12 months from the time he is able to start. May we declare that carried?

Mr. Pearkes: May I ask one question. I hate to delay the committee. It is 12 months after discharge, is it not, that they can get this?

The Chairman: Or from the end of the war.

Mr. Mutch: Whichever is the latest.

Mr. Pearkes: Or from the end of the war. When a man is discharged, he does not get his credit until about 60 days after his discharge, and I do not think he can make application for his allowance, the additional credit, until he has got his first credit cheque.

Mr. Woods: Gratuity.

Mr. Pearkes: Is there not some time lapse there? Instead of its being 12 months from the time of his discharge, he would actually only get it after say only 10 months, or if there was any further lapse of time it is a shorter period.

I am wondering whether it should not be after the receipt of his first credit cheque.

Mr. MUTCH: You mean gratuity cheque.

Mr. PROBE: It carries entitlement for 18 months, does it not?

Mr. WOODS: It just limits the time in which he can make application. It has no reference to his actually drawing the benefit. It is the time in which he can make application.

Mr. PEARKES: He is paid for that two months?

Mr. WOODS: Yes, if he is eligible under the order.

The CHAIRMAN: He is eligible for 12 months or for the length of his service, whichever is the least. Is that carried?

Some Hon. MEMBERS: Carried.

Clause 6 as amended agreed to.

The CHAIRMAN: That disposes of clause 6. Now we come to clause 7.

7. (1) Subject to the provisions of this section, where a veteran takes a course of vocational or technical training which, before the veteran commenced to take it, had been approved by the Minister as likely to fit him for employment or re-employment or to enable him to obtain better or more suitable employment, the Minister may pay to him a monthly allowance for the period during which he takes the said course.

(2) No allowance may be paid under this section unless application therefor is made by the veteran within twelve months after the date of termination of the war or the date of his discharge, whichever is the later date, but where a veteran was a patient in or receiving any treatment from a hospital or health institution, or was in receipt of any other allowance under this Act, during any time within the said twelve months, the period during which he may make application is extended by the said time. "Provided, however, application for training may be made by a veteran within one year after the date of establishment on the land in full time farming or commercial fishing under *The Veterans' Land Act, 1942*, such training not to be continued beyond three years after the effective date of approval of such application.

(3) No allowance may be paid to a veteran under this section for a total period of more than twelve months except that, in special cases prescribed by regulation, the allowance may be paid for a period exceeding twelve months but not exceeding the period of service of the veteran.

Did you have any amendments to propose with regard to clause 7?

Mr. GUNN: Two very slight ones. In the third line, it is suggested that the words "before the veteran commenced to take it"—that has reference to the course—be struck out. The reason for that is that I am told it restricts the administrative practice to a very large extent, or it would restrict the administrative practice to a very large extent to have that retained. The course is approved at some stage, but not necessarily before the veteran actually starts.

Mr. GREEN: They still want the words "had been approved" or should it be "has been"?

Mr. GUNN: No, "has been". Thank you, Mr. Green. It should be "has been". Then in line 36, "the minister may pay him an allowance"; cut out the word "to" and make it read, "pay him an allowance".

Mr. WOODS: Take out "monthly"?

Mr. GUNN: Yes.

Mr. BENTLEY: Strike out "monthly" there?

Mr. GUNN: That is right. Then in subclause (2) in the 44th line, "or was in receipt of any other allowance under this Act", it is suggested that we change

that to read, "or was in receipt of an allowance for temporary incapacity under section 4 of the Act." That was the purpose which the particular phrase was originally meant to serve. Those are all the amendments to clause 7, Mr. Chairman.

Mr. McKAY: I assume Mr. Chairman, in reference to subsection (2), that any dischargee now from the army or up to the first of January, 1946, would be eligible until January 1st, 1947 under this Act to continue his vocational or technical training. Am I correct in that?

Mr. GUNN: Twelve months from the date of his discharge.

Mr. McKAY: Yes. I was talking of the ones discharged now or up to the 1st of January, 1946.

Mr. GUNN: Or 12 months from the date of the termination of the war, whichever is the later. We have not yet had an official termination of the war.

Mr. McKAY: The first of January, 1946.

Mr. MUTCH: It is proposed to end the war on the 1st of January. That is the reason.

Mr. McKAY: That is quite important. A lot of them do not know about that and they are anxious to find out.

Mr. GUNN: I forgot to mention this while I was on my feet, that the proviso to subclause (2) comes out because it is dealt with in another fashion.

The CHAIRMAN: With regard to the Veterans' Land Act?

Mr. GUNN: Yes.

The CHAIRMAN: How do you provide for that?

Mr. WOODS: By a new section at the end.

Mr. GUNN: Yes, another new section which I will submit to you later, Mr. Chairman, but which reads as follows. I have already read it.

The CHAIRMAN: It applies to both 6 and 7. Is that satisfactory, gentlemen? Carried.

The CHAIRMAN: Clause 8, "Allowance where veteran an undergraduate":—

8. (1) Subject to the provisions of this section, where a veteran,
(a) resumes or commences, within one year and three months after discharge, a course for the purpose of qualifying for admission to a university, or

(b) resumes or commences, within one year and three months after discharge, a university course, academic or professional, to which he is regularly admitted, or

(c) because of ill health, or for any other good reason shown to the satisfaction of the minister, delays resumption or commencement of such course beyond such periods,

the minister may pay to him a monthly allowance for the period during which he takes the said course.

(2) The total period for which an allowance may be paid to a veteran under this section shall not exceed his period of service, except that, if the minister is of opinion that a veteran's progress and achievements in the course he is taking are such that it is in the interest of the veteran and in the public interest that payment of the allowance be continued during a longer period, the minister may extend the period during which it may be paid.

(3) No allowance under this section shall be continued to a veteran who fails in more than two classes or subjects in any academic year, or who, having failed in one or two classes or subjects also fails in a supplemental examination next offered by the university in any of such classes or subjects.

Have you any proposed amendment to that, Mr. Gunn?

Mr. GUNN: Just the usual striking out of the word "monthly". You will find that in line 24, "...the Minister may pay ..." I suggest strike out the word "to" and make it read "pay him an allowance". And then clause (3), which is the one which was submitted to the committee a few days ago relating to the lad who fails in examinations. This is the form in which it was submitted and it still remains in the same form:—

(3) No allowance under this section shall be paid to a veteran who having failed in one or more classes or subjects in any academic year, fails in more than one of the supplemental examinations next offered by the university in any of such classes or subjects.

That is to take the place of the present clause (3).

The CHAIRMAN: Having failed in one or more.

Mr. Mutch: That permits him to carry one sup. Apparently, that has been agreed to by all the universities so I believe it puts him in line with the present university practice.

Mr. Lennard: While I agree with the principle I think it is harsh, because while the civilian student has seven and one-half months to complete a year and can carry two subjects over to nearly the end of the next academic year, the veteran student is required in five months of accelerated course to do the same work and pass examinations with the possibility of failing in one or more, and those one or more subjects he fails in I understand he has to try and pass before the next academic year commences. Am I right?

The CHAIRMAN: He can carry one.

Mr. Lennard: He can carry one over through to the end?

The CHAIRMAN: The next year.

Mr. Lennard: I believe that at the end of the accelerated course which is some time in the summer, if he starts in May, he has no time to study on any subject that he has failed in before the commencement of the next term and he is really greatly handicapped. I agree with the principle of the thing, but I do feel it is being harsh and that a man having served several years overseas is a bit rusty and is asked to do a bit too much.

Mr. Mutch: As I understand this, it permits the veteran student to carry one supplemental right through. He can carry it to graduation if he does not have any more.

Mr. Woods: Right.

General Burns: It is that he carries it through the succeeding academic year.

Mr. Mutch: If he gets another one then he can do the same thing. He cannot carry two.

Mr. Bruce: I was going to say that I think more concessions should be made to the veteran for the first year than for subsequent years. I think this is all right for any year, but if we are going to help the veterans the first year is the year in which they need special help. I think I mentioned before, speaking to this committee, that during the first year it takes the veterans a number of months before they settle down to study again. They have not been accustomed to studying. I discussed this matter with Dr. Best. I think I mentioned it before—perhaps it was in the House rather than here, because I did not get an opportunity to refer to the matter here. A number of those young men are coming back, and it has been found by those who have to see them in a medical way that it takes them some months before they get themselves readjusted to civilian life; and Dr. Best expressed the opinion to me—an opinion in which I concur—that in many cases it would be

desirable to give these men six months freedom from any work of any kind. Tell them to go out and forget about the war and try to readjust themselves to civilian life. It would be better, I think, for them to go up in the bush and play there.

Mr. GREEN: He could do that and still qualify for a university course.

Mr. BRUCE: If he could do that and receive some support. He would not get assistance. Therefore, if instead of doing that—instead of taking these months to get accustomed to the change of life from war to peace—he was allowed a little extra latitude during his first year with regard to examinations, I think it would be very desirable. I would not carry that over beyond the first year. Universities, very properly, place a restriction upon the number of subjects that a student may carry over to another year because they want a man to go through university and to take up his studies in a serious way and try to make good; they do not want him to be loafing on the job. I think that that is primarily the object of making this regulation in regard to the carry-over subjects. Ordinarily this regulation is absolutely sound, but I think a concession might very well be made in the first year and not subsequent to that in allowing more latitude to students who are plucked in one or more subjects in that year.

Mr. BROOKS: This is a very important section and I want to be certain about it. Suppose a man in the first year is taking eight subjects and at the end of the year he has failed in three of them; before the next term will he be given three supplemental examinations? If he passes on two of them will he still be allowed to carry one through the next year?

The CHAIRMAN: That is my understanding.

Mr. BROOKS: I think that is very fair.

Mr. KIDD: Does it also apply to a boy-re-entering university? Quite a number of boys who entered the service had served one year. I had a letter from a mother—

Mr. WOODS: It also applies to those.

Mr. GREEN: I have had some experience from the point of view of a father. I have a boy taking a university course, and he and his friends are all very much concerned about this provision. It is a very good thing, I think, as far as my lad is concerned; he realizes that he has got to work to get through. I doubt very much whether it would be doing them a service to put them in a category different from that of other students and certainly no further than the university presidents think that they should go. I suggest with regard to this question that they have it pretty well tied in with whatever university presidents recommend.

Mr. Mutch: It is not very often that twice in one week I find myself in complete agreement with Mr. Green. I am going to say this, that I think in all fairness we have had an extraordinary degree of co-operation from the universities of Canada in respect to this problem. They are carrying on at a very considerable inconvenience and some expense. Perhaps it is only fitting that they should, but the fact remains that they have done so; and I think for a committee such as we are, august as we may be or think we are, to dictate policy to them under the circumstances would be going a bit beyond what is practicable.

Mr. BRUCE: I do not wish to be understood as opposing the attitude of the university presidents. If that is the concession they think is sufficient under the circumstances, why I am quite content.

The CHAIRMAN: That was their recommendation, Dr. Bruce.

Mr. LENNARD: I will point out to Mr. Green and Mr. Mutch that veterans are not on the same footing as the civilian students. As I mentioned pre-

viously, they are asked to do in five months what the civilian is asked to do in seven and a half months. The first year is a difficult year.

The CHAIRMAN: Do you suggest any change, or what do you suggest?

Mr. LENNARD: I say they are working under a handicap, and I think everyone will admit that.

The CHAIRMAN: I think you will find, Mr. Lennard, that if it is found that there is any great difficulty arising out of this, this advisory committee will be meeting from time to time, and I am sure that they are very anxious to see that this will work out right and they will make further suggestions if they think they are necessary. While we are putting it in the form of a section to the Act it brings up the point whether we should not have left some elasticity by leaving it subject to regulation?

Mr. WOODS: The universities agreed, in return for our giving them an additional \$150 per term, to put on special tutorial classes to take care of the situation outlined by Mr. Lennard.

Mr. LENNARD: I presume this would be retroactive. I heard of several cases where chaps who failed in one subject had to pay their own expenses at a university for their failure.

Mr. Mutch: They will write that off.

Mr. LENNARD: No, they did not write that off. They are civilian students now, and they have until the end of this academic year to write it off.

Mr. Mutch: I was asking that as a question. Did you mean they had to pay for their term until they did pass and then they could come back under this scheme?

Mr. LENNARD: Yes.

The CHAIRMAN: Yes, it would be retroactive.

Mr. McKAY: Mr. Woods made reference to extra tutorial fees to universities. Had he reference to the straight academic course or the extra classes they may take? It is the normal tuition fee.

The CHAIRMAN: No, this is in addition to the normal fee.

Mr. McKAY: Extra classes?

Mr. Woods: That is right.

The CHAIRMAN: Extra payment. The situation is there are the extra fees due to asking them to take this extra number of people and the extra difficulty and trouble, and they are given in addition to the ordinary fee, \$150 extra. That is provided by the department.

Mr. McKAY: That is in the case where they are staggering the classes.

The CHAIRMAN: In all cases—an extra \$150 per pupil is supplied by our department per term.

Mr. McKAY: When I went to university we used to go to a tutor in the evenings to get him to help us with mathematics and science and that sort of thing. You have no reference to that?

Mr. Woods: One of the conditions of this \$150 was that they provide special tutorial assistance of that type.

Mr. GREEN: How long does it take to get this allowance paid to the boys? I know that at McGill there are quite a few boys who have not yet had any payment at all although they have been there over two months.

Mr. Woods: I am advised that payments to McGill are now coming up to date, according to our district administrator.

Mr. GREEN: I did not refer to payments to the university.

Mr. Woods: The training allowances.

Mr. GREEN: They were not getting them up to Sunday.

Mr. WOODS: I think Mr. Green will find that the cheques are with the bursar. I was told over long distance from Queen's to-day that they also are caught up, and I asked the district administrator to wire me to that effect.

Mr. GREEN: How long does it take to get those cheques out?

Mr. WOODS: Ordinarily it should not take longer than a week or ten days, but there has been congestion in almost every district due to the fact that many boys started in their course after consultation with the registrar or the bursar on the assumption that the cheques would come through automatically without going through the formality of applying to our department for approval of the course. In addition to that, as you know, discharges were jumped up from 35,000 in August to 85,000 in October, and there was some congestion took place in every district throughout the dominion. I am informed that they are now caught up.

Carried.

The CHAIRMAN: Section 9: Allowance where veteran taking post-graduate course.

9. (1) Subject to the provisions of this section, where a veteran resumes or commences a post-graduate course, either academic or professional, in a university within one year and three months after his discharge, or commences such a course as soon as may be after completing an undergraduate course, or where a veteran resumes or commences such a course more than one year and three months after his discharge by reason only of delay caused by ill health or any other cause satisfactory to the minister and the minister deems it in the public interest that the veteran should resume or commence such course, the minister may pay to him a monthly allowance for the period during which he takes the said course.

(2) The total period for which an allowance may be paid to a veteran under this section, together with any period for which he is paid an allowance for under-graduate education under section eight of this Act shall not exceed his period of service except that if the minister is of opinion that a veteran's progress and achievements are so outstanding that it is in the public interest that payment of the allowance be continued during a longer period, the minister may extend the period during which it may be paid.

Mr. GUNN: There is one slight amendment here at page 6, second line. Delete the word "to", and cut out the word "monthly". It would read, ". . . the minister may pay him an allowance."

(Carried)

The CHAIRMAN: Section 10: Correspondence course, payment of cost.

10. (1) The minister may on application of a veteran who is employed, pay the cost of a correspondence course of training for the veteran if, in the opinion of the minister, the course is necessary for the complete rehabilitation of the veteran and is directly related to the occupation in which he is employed, but the total amount paid by the minister under this section to a veteran shall not exceed the amount of the allowance which might be paid to the veteran under subsection (3) of section seven of this Act during a period of twelve months or a period equal to his period of service if less than twelve months.

(2) The minister may pay the cost of a correspondence course for a veteran receiving treatment in a hospital or similar institution operated by the Department of Veterans Affairs if, in the opinion of

the minister, the course is necessary for the complete rehabilitation of the veteran, and, notwithstanding the provisions of subsections (1) and (2) of section sixteen of this Act, payment for such course shall not preclude or in any way diminish any other benefit to which the veteran may be entitled under this Act.

Have you an amendment to that?

Mr. GUNN: Yes, I have a complete redraft of this clause.

Mr. WOODS: I think it is better composition than the existing clause.

Mr. CROLL: Who is the judge of composition?

Mr. GUNN: This department is not accepting very much responsibility for the original language in this bill, but, as Mr. Woods said, we hope this is a little better. It seeks to express the same idea, if you have been able to gather the idea from the original clause.

The minister may on application of a veteran who is employed pay the cost of a correspondence course of training for the veteran if, in the opinion of the minister, the course is necessary for the complete rehabilitation of the veteran and is directly related to the occupation in which he is employed but the total amount paid under this subsection shall not exceed the amount of allowance which might have been paid to such veteran under section 7 of this Act for his period of service or twelve months, whichever is less.

Subclause (2) reads:—

The minister may pay the cost of a correspondence course for a veteran receiving treatment in a hospital or similar institution operated under authority contained in the Department of Veterans Affairs Act if in the opinion of the minister the course is necessary for the complete rehabilitation of the veteran.

Mr. BROOKS: May I ask why you use the word "complete rehabilitation"?

Mr. GUNN: Emphasis, I suppose.

Mr. BROOKS: Why is it not for the rehabilitation of the veteran?

The CHAIRMAN: You might say he was rehabilitated if he had some sort of a job, but not completely rehabilitated until he got a job that is better for him.

Mr. BROOKS: Does it refer to a job or does it refer to a course?

The CHAIRMAN: I think it gives him more power.

Mr. MUTCH: Is it not generally accepted that a man taking a correspondence course will be some one who is trying to better himself? The bare fact that he was employed might be construed as rehabilitation if that were not in there. I hope that is the reason.

The CHAIRMAN: "Complete rehabilitation" gives the minister more power.

Mr. GREEN: It might be construed the other way.

Mr. CROLL: These words worry me: "directly related to the occupation in which he is employed." A case comes to my mind of a man who is a shorthand reporter and decides to become a Hansard reporter by preparing himself. Supposing a man decides to take a correspondence course and is at the time employed but may be adaptable to this?

General BURNS: I should like to suggest that Mr. Crawford answer that.

The CHAIRMAN: Mr. Crawford, would you explain that amendment?

Mr. CRAWFORD: The effect of the word "complete", sir?

The CHAIRMAN: Yes.

Mr. CROLL: "Directly related to the occupation"?

Mr. CRAWFORD: I cannot give you an explanation for the word "complete" except what you have already said. "Directly related to the occupation in which he is employed" was put in there in order that correspondence courses may be of value to the veteran. It is felt that in rehabilitating a man merely to give him a correspondence course which has no relationship whatever to the work in which he is employed is of no particular benefit in connection with his rehabilitation. The course may have some value but not in connection with rehabilitation of the person. If he wishes to be rehabilitated, then he should be employed along the lines of the work he intends to enter, and the correspondence course will supplement the training he gets on the job.

Mr. MUTCH: Is this not possible, though; for instance, a boy might have been an apprentice in a shop in order to become a machinist. He may have no money and so he has to go back to that. But he is bright and aggressive and decides—maybe as a result of his army training—that he is going to be a radio mechanic. I understand there are such courses which are given by correspondence which can at least teach him the theory of the job. By that order is the minister precluded from giving him that?

Mr. CRAWFORD: Yes, he is precluded; because if he wishes to be rehabilitated as a radio operator, then we say he should leave the employment in which he is now engaged and take a full-time course as a radio operator and supplement it if necessary by a correspondence course.

Mr. MUTCH: It is possible that he cannot afford that. It might be that he is going to be able to make more money in his present job. It is quite possible that he might better effect his own rehabilitation in some work which he is accustomed to, taking a longer period of time perhaps to develop the other thing, master the theory, before he changes. I think this is too restrictive.

Mr. CRAWFORD: The question is as to when does the man become rehabilitated. If he is successfully employed in an occupation where he is earning a high rate of wages, if he wishes to remain there and wishes at some future date to make a change, the whole question is, is that rehabilitation? The feeling is that he should make the choice or change of occupation within a reasonable time after his discharge, that we are assisting men to become rehabilitated in civilian life but we are not providing a continuing program of free education for that man. So that if he decides that he wishes to change, he is at liberty to do it at any time within the prescribed period for making application; and then if it is possible we encourage the man to take full-time training for the new occupation.

Mr. GREEN: Suppose he is in a small town in northern British Columbia, or in any other part of Canada, and wants to take a correspondence course in some particular line. Would not he be discriminated against with this restriction in the Act? Suppose he is living in a remote district and perhaps just able to get by at some job that he does not want to follow all his life, and that he could take a correspondence course which would be of great benefit to him. Quite often they used to take the International Correspondence School course. I know of cases where that has been of great benefit to the men.

Mr. CRAWFORD: There is no doubt of the value of the correspondence course, if it is related to the work the person is doing. But there is good ground for doubting the value of a correspondence course for a man in northern British Columbia working in, say, woods operations studying such a thing as accountancy. We feel it is much to his advantage and certainly much more effective rehabilitation for him to get into that line of work as a bookkeeper or something, and then supplement what he gets on the job by a correspondence course. It is not felt that the correspondence course of itself is adequate rehabilitation training.

The CHAIRMAN: But if you did run into a case like that, would there be any harm in the department, subject to regulation, having power to give that course? I do not see why you should tie your own hands at all. If you run into a case such as that mentioned by Mr. Green, why not have the power to deal with it? What harm would there be in saying "If in the opinion of the minister the course is necessary for the complete rehabilitation of the veteran"?

Mr. CRAWFORD: My only answer is that when the order was originally drafted there was no provision for correspondence courses of any kind; the reason for that—and I think it was a very good one—was that there are many men who will take a correspondence course if they can get it free of charge.

The CHAIRMAN: Yes, I know.

Mr. CRAWFORD: Just for the sake of taking the course.

The CHAIRMAN: Exactly. But you would have the precaution there in saying that it was not necessary for the complete rehabilitation of the veteran.

Mr. CRAWFORD: I think the administrative side does not wish to be placed in that position of having to decide just when a course would or would not be of benefit to a man who was not in that line. The restriction was put there as an extension to the order, not as a limitation. It was extending the previous policy, to provide for correspondence courses with a very definite restriction on the conditions under which such courses would be approved. If it is the wish of the committee that they be further extended, of course that is a different matter.

The CHAIRMAN: I am thinking of the case of a man working in a garage in a country district, where his chief occupation is that of repairing cars. He might have training in the army in radio work and so on, and he needs some correspondence course to completely rehabilitate himself to enter that radio field. Why should you not have the power to give it if will help in the complete rehabilitation? Why tie your hands? Is it going to cause you any real difficulty?

Mr. CRAWFORD: I think so, yes.

The CHAIRMAN: You think so?

Mr. CRAWFORD: Yes. Otherwise I would certainly agree.

Mr. BENTLEY: Mr. Chairman, there is another case that could come up, and I think it should be given consideration in this respect too. Let us take, for instance, either a girl or boy coming back to the farm. Of course, coming from a farming section, that is what I think of first. The old folks might be pretty hard put to it at the present time to get help on the farm. They might say to the boy or girl coming back, "We should like to have you stay around here and help us for a while until we can dispose of this" or until you make up your mind of what you are going to do, or until Jack comes home or someone else comes home to take their place. In the meantime the girl or boy there might say, "I can stay there and work on the farm and take a correspondence course in a particular subject that I am interested in so that when I am released from the farm I could enter that; I would be prepared for it." With this provision, you could not do that. But if you altered this you would be able to give that boy or that girl that opportunity.

Mr. PEARKES: There is an identical case within my knowledge that I was going to mention. It is that of a man who was married overseas and who has come back. He has gone to live with his parents on a farm. He told me that as soon as he could get his wife back, as soon as transportation was provided, he was going to follow the trade that he had learned in the army, in a garage in the city. I do not know whether he wished to take a correspondence course or not; but he would be well advised to do it if he could do so.

The CHAIRMAN: There is almost telepathy between the conservatives and the C.C.F.

Mr. CRAWFORD: My answer is this. If there is any possible way of determining in advance whether or not a correspondence course which has no relation whatsoever to the work a man is doing, but merely to something which he says he contemplates doing—if there is any possible way of determining whether it will give the necessary training—then I will be perfectly willing to support anything of that kind administratively. But I know from previous experience that unless this committee feels—and I do not so feel—that a correspondence course of itself will give the necessary training for rehabilitation, then it is highly advisable to restrict the use of correspondence courses to conditions which will supplement other training.

Mr. McKAY: What about university extension courses? They are generally considered as correspondence courses. Take the case of a young teacher who was discharged from the service and wants to go back teaching or probably has to go back teaching.

Mr. CRAWFORD: We are now speaking solely of vocational training; and vocational training is not learned from books, is not received from education or from reading. It must be accompanied by actual practice. You cannot make a mechanic of any kind through correspondence instruction.

Mr. McKAY: That is quite all right. I agree with you there, Mr. Crawford. I misunderstood what we were discussing. But I have a question under the vocational end of it too. Through the chairman I should like to ask you, Mr. Crawford, what schools have you accepted now as satisfactory correspondence schools for courses?

Mr. CRAWFORD: All schools registered with the provincial departments of education; those accredited by the provincial departments of education.

Mr. McKAY: Do you mean by that the International Correspondence School courses, the LaSalle Extension University and schools of that character?

Mr. CRAWFORD: Yes. They are both approved.

Mr. McKAY: They are registered?

Mr. CRAWFORD: Yes.

Mr. GUNN: Mr. Chairman, this may have a bearing on the subject. I am not attempting to enter into the argument at all, of course. But you will observe that, in recasting this clause, we have avoided or omitted that provision starting at line 30.

The CHAIRMAN: Yes, I notice that.

Mr. GUNN: And the result, of course, is that this is a free course. That provision is taken up in another section a little later in a new clause that I am submitting. I am merely mentioning that this is free and not chargeable against any other benefit to which the veteran may be entitled.

Mr. WOODS: In other words, it does not impinge on his training rights.

Mr. PROBE: May I say a word here. I want to illustrate how this has worked in connection with certain veterans. I can remember a veteran who lived on a small holding within the city of Regina or near the city of Regina. He had been overseas for some years and his health was very bad. He had a position before he went overseas as driver of a bread wagon, and rather an arduous job it was. He came back and resumed that same occupation, but he started to raise chinchilla rabbits on the side. You may smile, Mr. Chairman, but this has a direct bearing on what we are discussing. Mr. Crawford may remember the case, because I was on veterans' affairs at the time that this matter came up. This man had several hundred of these rabbits and he wanted

a correspondence course on the weaving or making of chinchilla cloth or chinchilla yarn, and the dyeing of the wool. At that time the Department of Veterans Affairs turned this man down for the correspondence course, saying that it was not directly related to the occupation which he had at the moment. There is no doubt in my mind that this man was going to have to give up driving the bread wagon and had hoped to get into the raising of chinchilla rabbits as a complete vocation. He went ahead with his correspondence school course and paid for it. Mr. Crawford, as I say, may remember this instance. He paid for it out of his re-establishment credit. I think the department could have re-established that man on the basis that he himself suggested and that we recommended when we were counselling him on the matter. But they took objection to the raising of chinchilla rabbits and the whole thing hinged on that instead of on the question of whether his complete rehabilitation would have been better handled by allowing him to go into rabbit raising and get away from driving the bread wagon.

Mr. Woods: Mr. Chairman, perhaps we might meet the views of the gentlemen who have spoken if we inserted the words "or expects to be employed". It would then read that "The minister may, on application of a veteran who is employed, pay the cost of a correspondence course of training for the veteran, if, in the opinion of the minister, the course is necessary for the complete rehabilitation of the veteran and is directly related to the occupation in which he is employed or expects to be employed."

The CHAIRMAN: I think that is very good.

Some Hon. MEMBERS: Fine.

Mr. Woods: That will be satisfactory to the department.

Mr. CROLL: I can see the stock of the correspondence schools rising immediately.

The CHAIRMAN: May we carry that clause with the suggested amendment of the deputy minister?

Some Hon. MEMBERS: Carried.

Clause 10 agreed to.

The CHAIRMAN: Would you tell us, Mr. Gunn, how you are providing for the provision that it shall not diminish his other benefits.

Mr. GUNN: Yes. We have this clause, Mr. Chairman:—

Notwithstanding the provisions of section 16 of this Act, moneys paid pursuant to subsection (2) of section 10 or subsection (2) or subsection (3) of section 11 of this Act, shall not be deemed to preclude the veteran from taking any other benefit under this Act or diminish any other benefit to which the veteran may be entitled under this or any other Act.

That is to ensure that the costs of the benefits are not deducted from his war service grant or benefits or charged against any other benefits.

Mr. BENTLEY: Instead of saying, "shall not be deemed to preclude a veteran", why could you not make it, "shall not prevent"?

Mr. BROOKS: Or "shall not preclude".

Mr. BENTLEY: What is the difference between saying "preclude" and saying "prevent"?

Mr. CROLL: Preclude is pretty definite. It says "deemed to preclude".

Mr. BENTLEY: Not "deemed to prevent"; "shall not prevent". No "deemed" about it. Then nobody has to deem.

Mr. GUNN: We might just say "shall not preclude".

The CHAIRMAN: That applies only to a veteran who is in hospital?

Mr. WOODS: That is right.

Mr. GUNN: Yes.

Mr. GREEN: It does not apply to an employed veteran at all?

Mr. WOODS: No.

Mr. GUNN: No.

The CHAIRMAN: So that if he took that he could not take his re-establishment credit?

Mr. GUNN: If he took this, he is still entitled to his re-establishment credit.

Mr. WOODS: If he is in hospital.

The CHAIRMAN: I mean if he is employed. Suppose it is, we will say the chinchilla rabbit fellow. He could not take the correspondence course in chinchilla rabbits and still get the re-establishment credit.

Mr. WOODS: Not unless he repaid the cost of the course.

The CHAIRMAN: I see.

Mr. GUNN: Or else it would be charged against him.

Mr. WOODS: It would be charged against him. He would get the difference between the two.

The CHAIRMAN: We have carried clause 10. Then clause 11, regulations respecting payment to universities and for vocational and technical training:—

11. (1) Where an allowance is being paid to a veteran under sections seven, eight or nine of this Act, or where such an allowance might be paid but for the provisions of section thirteen of this Act, the Minister may, in accordance with regulations, pay to any university, school or other similar institution, tuition fees, student fees and athletic fees or other necessary charges and costs of courses of training approved under this Act for, and taken by such veteran, and pay costs of special tuition and training of such veteran received while under treatment in hospitals and similar institutions operated by the Department of Veterans Affairs.

(2) The Minister may, in accordance with regulations, pay for the provision of training of a technical, vocational or educational nature, where such training is given for therapeutic and pre-vocational purposes within hospitals and similar institutions operated by the Department of Veterans Affairs, and, notwithstanding the provisions of subsections (1) and (2) of section sixteen of this Act, payment for such training shall not preclude or in any way diminish any other benefit to which any veteran who receives such training may be entitled under this Act.

(3) The Minister may, in accordance with regulations, pay to any university, school or other similar institution, such costs as are described in subsection (1) of this section and pay allowances to any veteran undergoing technical, vocational or educational training therein, in accordance with the provisions of sections seven, eight and nine of this Act, where the Minister determines such training is given towards the restoration of the physical or mental condition of the veteran, or in the use by him of devices or appliances which may compensate for loss of physical or mental capacity. Payment of costs and allowances under this section, notwithstanding the provisions of subsections (1) and (2) of section sixteen of this Act, shall not preclude or in any way diminish any other benefit to which any veteran may be entitled under this Act.

Have you any amendment to that?

Mr. GUNN: Just one very slight one, Mr. Chairman. In line 44 after the word "operated" we suggest that those words be struck out and be replaced by the words "under authority contained in the Department of Veterans Affairs Act."

Mr. WOODS: That is to enable us, Mr. Chairman and gentlemen, to take into consideration men in provincial sanatoria and other hospitals not operated by the department.

The CHAIRMAN: I doubt if that covers it. They are not operated under the authority of the Veterans Affairs Act.

Mr. GUNN: Yes, they are. That is our jurisdictional Act.

The CHAIRMAN: "Operates" is not quite the right word.

Mr. GUNN: That is where we get our authority.

The CHAIRMAN: But "operated" is not the right word. These institutions are not operated under the authority contained in that Act. The patients are paid for under the authority of it but the institution is not operated under it.

Mr. GUNN: Yes. I see your point, Mr. Chairman. Perhaps that is not the very best language.

The CHAIRMAN: It certainly is not. "Under treatment in hospitals and similar institutions—"

Mr. BENTLEY: Treatment for which is paid.

Mr. WOODS: Yes.

The CHAIRMAN: Under authority. Leave out the word "operated".

Mr. WOODS: Treatment in which is provided.

The CHAIRMAN: So it would be after the word "institutions", instead of "operated"?

Mr. WOODS: Yes.

The CHAIRMAN: May we carry that, with the proposed amendment?

Some Hon. MEMBERS: Yes.

Mr. GUNN: By the way, that appears in subsection (2) as well as in clause 1, Mr. Chairman.

The CHAIRMAN: Yes. Subclause (2) will have the same change.

Mr. GUNN: Yes.

Mr. WOODS: That is right.

The CHAIRMAN: Then clause 12.

Mr. WOODS: No, clause 11 (3).

The CHAIRMAN: Have you got another amendment in clause 11 (3)?

Mr. GUNN: Yes. It is proposed to delete the words beginning in line 17 with the words "payment of costs" right down to the end of the section. That is for the reason that I have just mentioned. It is to avoid these costs being charged against the rehabilitation credits or any other benefits. That is taken care of by the section I just read.

The CHAIRMAN: That is the section you just read?

Mr. GUNN: Yes.

The CHAIRMAN: Which one was that?

Mr. GUNN: That is, "Notwithstanding the provisions of section 16 of this Act, moneys paid pursuant to section (2) of section 10 or subsection (2) or subsection (3) of section 11 of this Act..."

The CHAIRMAN: Oh, yes.

Mr. WOODS: That will be a separate section.

The CHAIRMAN: Carried?

Mr. GUNN: Before we go on, was it decided to cut out the words "be deemed" so it would read "shall not preclude"?

The CHAIRMAN: Yes, "shall not preclude".

Mr. BROOKS: What was it?

The CHAIRMAN: "Shall not be deemed".

Mr. GUNN: And it is changed to read "shall not preclude".

The CHAIRMAN: Yes, "shall not preclude".

Clause 11 as amended agreed to.

The CHAIRMAN: Then clause 12, allowances respecting dependents:—

12. Where an allowance is being paid to any veteran pursuant to the provisions of sections four, five, six, seven, eight or nine of this Act, the Minister may in accordance with regulations, pay contemporaneous allowances with respect to any dependent of the veteran.

Is that carried?

Some Hon. MEMBERS: Carried.

Clause 12 agreed to.

The CHAIRMAN: Clause 13, allowance in relation to income of veteran and dependents.

13. In determining the amount of an allowance to be paid to a veteran under this Act, the Minister shall take into account any prospective wages, salary, pension or other income of the veteran and his dependents, if any, for the period with respect to which the allowance is or may be paid.

Mr. BROOKS: Mr. Chairman, this is the one that we were speaking about the other day. It says, "In determining the amount of an allowance to be paid to a veteran under this Act, the minister shall take into account any prospective wages, salary, pension or other income of the veteran and his dependents, for the period with respect to which the allowance is or may be paid." Does that mean for one thing that in the case of a boy working during the holidays, there will be any allowance taken away by what he earns during his vacation?

Mr. GUNN: I am not prepared to answer that.

General BURNS: The policy is only applied with regard to what he may be earning while at university, actually during the term. As you will recall from the previous evidence, the exemption just of the amount which is not so considered has recently been raised from \$40 to \$75.

Mr. WOODS: But that does not apply to the vacation period. It only applies to the actual period for which we pay him benefits.

Mr. BROOKS: I see.

Mr. WRIGHT: Would this mean that, if a veteran is attending college and his wife takes a position, there would be a deduction because of that?

Mr. WOODS: Mr. Gunn has just explained if she earns up to \$75 a month, it will be ignored.

Mr. WRIGHT: She can earn up to \$75 a month?

Mr. WOODS: That is right. If she earns over that, it will be taken into consideration when setting the amount of the allowance. The same applies to the veteran himself.

Mr. BROOKS: This also brings up what we were discussing the other day with reference to the pension. I think Mr. Woods told us that they deducted 40 per cent of the pension or at least he was allowed 40 per cent of the pension.

Mr. WOODS: That is right.

Mr. BROOKS: And we brought up the point as to whether a man with a small pension up to \$100, making a total of \$100, should not be exempt. I still think, Mr. Chairman, that there should be some consideration given to that. Suppose a man were getting \$60. He gets \$25 or \$30 of a pension, which would bring him up to \$75 or \$90. The pensioner as a rule is not able to go out and work during the summer vacation to supplement the amount that is given, like a man who is 100 per cent physically fit. I think that some consideration should be given to that.

Mr. WOODS: Mr. Brooks made the suggestion the other day, Mr. Chairman, that a ceiling might be fixed which, including training allowance and pension, would represent 100 per cent pension in the case of a single or married man. We shall be glad to give that consideration. I cannot promise that it will be done, but you can rest assured that it will be given careful consideration by the department as soon as we have finished our deliberations here with the committee.

Mr. BROOKS: Thank you very much.

The CHAIRMAN: Is that carried?

Some hon. MEMBERS: Carried.

Mr. GREEN: There is one other point about that exemption of \$75, should there not be done some provision made for that in the Act? Otherwise this section 13 prevents the minister from giving that. I do not see how he can work with an order in council which is directly in conflict with the terms of this section.

The CHAIRMAN: This says he shall take into consideration, that is all.

Mr. BROOKS: "Take into account."

The CHAIRMAN: Shall consider it. He may, having considered it, decide that it does not amount to much.

Mr. WOODS: And indeed he does. In actual practice at the present time, Mr. Chairman, in the case of small pensioners, he does in fact say that a pension up to so and so shall not be taken into consideration. That is being done now in actual practice. All that this clause does is to enable the minister to take into consideration income from other sources. It does not mean by any means that there shall be a deduction of the amount of any earnings, pension and so forth. It merely means that he shall take it into consideration.

Mr. GREEN: I think if that is the intention, you might achieve it by substituting "may" for "shall", making it read "the minister may take into account any prospective wages," etc.

The CHAIRMAN: Yes. I think that would be a good idea. It gives more elasticity to the thing if you say "may" instead of "shall".

Mr. WOODS: What section is that?

The CHAIRMAN: Clause 13.

Mr. BROOKS: This compels him to take into account and "may" does not.

Mr. WOODS: I would agree with Mr. Green in that, that "may" is the more suitable term.

Mr. BENTLEY: Change "shall" to "may".

The CHAIRMAN: Is it carried with that amendment?

Some Hon. MEMBERS: Carried.

Section 13 as amended agreed to.

The CHAIRMAN: Clause 14, certain allowances exempt from taxation:

14. No allowances paid to or on behalf of a veteran under sections seven, eight or nine of this Act shall be subject to taxation.

That is clause 7, 8 and 9 are clauses having to do with vocational training, technical training, under-graduate and post-graduate.

Some hon. MEMBERS: Carried.

Clause 14 agreed to.

The CHAIRMAN: Clause 16 one allowance at one time.

Mr. GUNN: No, clause 15.

The CHAIRMAN: Clause 15: that is residence in Canada.

15. Except as provided by regulation, no allowance may be paid under this Act to or on behalf of any veteran who resides out of Canada.

Mr. WRIGHT: Are not Americans paid for education in our Canadian institutions?

Mr. WOODS: Americans in Canadian institutions?

Mr. WRIGHT: Do not the Americans, in their rehabilitation scheme, pay for education for American returned men in Canadian institutions?

Mr. WOODS: I think they do. Yes, I believe they do. We also pay, Mr. Chairman, for Canadians attending American institutions and British institutions; that is provided by regulation. This is authorizing us to regulate.

Mr. PROBE: Do your regulations now permit Canadians to cross the border to take education in American institutions?

Mr. WOODS: Yes. We have Canadians attending American institutions.

Mr. CROLL: I know some of them.

Mr. GREEN: There was a similar provision put in the War Service Grants Act. How did that read?

The CHAIRMAN: We were talking there about domicile, if you will remember.

Mr. GREEN: About which?

The CHAIRMAN: Domicile. It was having reference to people who joined the R.A.F. who were domiciled in Canada, and we provided that they could get the benefits if they were domiciled in Canada at the time of applying. They did not have to be resident at the time of applying. That is perhaps what you are thinking of.

Mr. GREEN: Was there not some provision made about covering Americans who had served in the Canadian forces?

General BURNS: Perhaps what Mr. Green has in mind is this. There was a provision made I think allowing Americans resident in America to use their re-establishment credit for buying government annuities or buying government insurance.

Mr. BROOKS: I think that is right.

The CHAIRMAN: Mr. Woods, I wonder if you would just explain these words: "No allowance may be paid to or on behalf of a veteran who resides out of Canada"? Does that mean while he is getting the allowance or does it mean that he must be a resident of Canada at the time he applies for it? Just what does it mean?

Mr. GUNN: Ordinarily resides.

The CHAIRMAN: What I have in mind is this. If an American comes up here, joins the Canadian forces and does not intend to stay in Canada but he is in Canada at the present time, does that mean that he could not get the benefit of this training?

Mr. WOODS: This says "except as provided by regulation."

Mr. WRIGHT: What is the regulation governing it?

Mr. WOODS: With regard to men whose home are in the United States and who were attending or intended to attend an American university and who have returned to the United States to live, we do under our regulations permit them to commence or resume their course, by regulation.

The CHAIRMAN: This gives control over that.

Mr. WOODS: That is right.

The CHAIRMAN: That is what you were trying to say.

Hon. Mr. BRUCE: Did I understand you to say you allow them to take their courses in the United States?

Mr. WOODS: Yes, if they were domiciled in the United States.

Hon. Mr. BRUCE: And you pay them?

Mr. WOODS: That is right. We pay them.

Mr. GREEN: Here is the way it was worded in the War Service Grants Act. It sets out that:—

No credit shall be made available to a member unless the member is resident in Canada and the minister is satisfied that the credit will be used for one or more of the purposes specified in section 9 of this Act and for the re-establishment of the member in Canada provided, it went on to say it would not apply to anyone who wanted to pay premiums under the government insurance scheme or the purchase price of an annuity. "And the Governor in Council may by regulation order such further exceptions to this section as may be deemed advisable." Now, would it not be wise to have the two Acts read the same way? In other words, put in this section 15 "no allowance will be paid unless the veteran is resident in Canada provided the Governor in Council may by regulation order such exceptions to this section as may be deemed advisable."

Mr. WOODS: It has the same effect, I think. The wording in the other one was that if we are able to effect reasonable arrangements later we might widen the field of payment in the United States or other countries. This has the same effect.

Mr. GREEN: It really means the same thing, but one is set up one way and one the other.

Carried.

The CHAIRMAN: Clause 16: One allowance at one time.

16. (1) Not more than one allowance may be paid to a veteran under this Act at any time, nor may any allowance under this Act be paid to a veteran while he is in receipt of unemployment insurance.

Mr. GUNN: There is one slight amendment here, the addition of the word "benefit" at the end of subclause 1. I propose to add the word "benefit", "unemployment insurance benefit."

The CHAIRMAN: The effect of that is: —

(1) Not more than one allowance may be paid to a veteran under this Act at any time, nor may any allowance under this Act be paid to a veteran while he is in receipt of unemployment insurance benefit.

Carried.

The CHAIRMAN: Subsection (2): Period during which allowances available.

(2) Except as otherwise specially provided in this Act, the total period for which a veteran may be paid allowances under this Act shall not exceed his period of service or twelve months, whichever is the shorter period.

Is there any amendment? This limits the period for which a veteran may receive the allowance to a period of twelve months or his period of service, whichever is the shorter, except as otherwise provided by the Act.

Carried.

Hon. Mr. BRUCE: Before we leave that, I should like to refer to something I have not seen dealt with in any clause, although it probably is dealt with by a provision. It is the provision that where a student is receiving \$60 for a single man and \$80 for a married man, if he earns at some other work a sum exceeding \$40 a month then the amount over that is deducted from his allowance. I think that could be corrected if you left out the word "monthly". You have been doing that to-day. I can think of a case where a student during the summer months, four or five months, works on a farm and earns a considerable amount of money at that work. Say he may be getting \$50 a month. This year they have been getting \$70 a month. Now, if you allow him to earn not more than a certain amount in a year that would help, because all his earnings would probably be during those few months.

Mr. CROLL: That three months' period is not accountable at all.

Mr. WOODS: I would say that any earnings that he takes between terms while he is not actually in university are not taken into consideration at all; but if while he is in university he earns—it used to be more than \$40, now it is \$75—

Hon. Mr. BRUCE: I think that is very satisfactory.

Mr. GUNN: May I make this suggestion? We have two new clauses to bring in, both have been read, and I think this is the appropriate place for them to come in, just before the insurance provision. I make that suggestion for the reason that these insurance provisions do not properly belong to this bill, and they really ought to be in the Unemployment Insurance Act, and I am told that there is going to be an amendment to the Unemployment Insurance Act made shortly, which will take up these provisions, and I suggest as a matter of getting our bill into the best possible shape that these particular provisions relating to insurance be left to the end so that they can be repealed at the appropriate time without affecting the numbering of the Act.

The CHAIRMAN: This is section 17.

Mr. GUNN: May I read what I have proposed for section 17?

Notwithstanding the provisions of sections 6 and 7 of this Act a veteran may apply for an allowance under those sections at any time within one year after the date of his establishment under the Veterans' Land Act, 1942, either in full-time farming or commercial fishing.

(Carried)

The other one, Mr. Chairman, clause 18, will read as follows—this will be 18, subsection (1):—

Notwithstanding the provisions of section 16 of this Act moneys paid pursuant to subsection (2) of section 10 or subsection (2) or subsection (3) of section 11 of this Act shall not preclude the veteran from taking any other benefit under this Act or diminish any other benefit to which the veteran may be entitled under this or any other Act.

Subsection (2)—I do not think I read that before. It is something new:—

Notwithstanding the provisions of the War Service Grants Act, 1944, no money paid pursuant to the Vocational Training Coordination Act, 1942, shall be regarded as money paid to or on behalf or in respect

of a veteran under this Act so as to affect the amount of benefit to which a veteran would otherwise be entitled under the War Service Grants Act, 1944.

In explanation of that, Mr. Chairman, you will know of course, that a great deal of the training of the veteran was carried on under the Vocational Training Coordination Act, and while there might be a possibility of the moneys paid to the provinces under the Act by agreement made under that Act being considered part of the moneys which might be charged against the veteran, this will make it very clear that those moneys cannot be so charged. I submit it for your consideration.

The CHAIRMAN: Now, the effect of the first clause is that the moneys paid in respect of a correspondence course to a veteran in a hospital or to a veteran who is in hospital also and taking training for therapeutic or pre-vocational purposes within a hospital under section 11, or where money is paid to universities to cover those extra expenses, that those shall not diminish the other rights of the veteran. We have agreed on that already.

(Carried)

The CHAIRMAN: Subsection 2. I think that goes without saying.

Mr. WOODS: It merely means, Mr. Chairman, that the costs of a vocational course shall not be charged against the re-establishment credit. The only thing that will be charged will be the actual allowance we pay to the veteran.

(Carried)

Mr. GUNN: May I suggest that you consider the present No. 21 as the next section in the bill, and then section 22?

The CHAIRMAN: That will be 19.

Mr. GUNN: Yes.

The CHAIRMAN: That is the power to make regulations. That will be section 19.

The Minister may with the approval of the Governor in Council make regulations not inconsistent with this Act:

- (a) to prescribe conditions, additional to those provided in this Act, to the eligibility of veterans for the payment of any allowance or other benefit under this Act;
- (b) to prescribe the conditions on which allowances may in special cases be paid for periods longer than those specified in this Act, where by this Act it is provided that payment during longer periods may be made in accordance with regulations;
- (c) to prescribe the conditions on which allowances payable under this Act may be paid to persons not resident in Canada;
- (d) the amount and manner of payment of any allowances or benefits under this Act to veterans or to or in respect of their dependents, and the manner of computing the amount of any such allowance or benefit payable for any period less than one month;
- (e) to prescribe conditions upon which any allowance or other benefit, which may be paid under this Act, may be terminated;
- (f) to prescribe the conditions upon which payments may be made to universities, schools or other similar institutions under section eleven of this Act;
- (g) subject to the appropriation of moneys by Parliament
 - (i) to authorize and prescribe the conditions on which allowances or benefits in addition to those for which provision is made in this Act may be paid to veterans or their dependents,

- (ii) to provide for the payment of travelling expenses, including living allowance of any veteran to assist in the rehabilitation of such veteran; and
- (iii) to prescribe special allowances in the case of pensioners or particular classes of pensioners; and
- (h) to provide for any other matters necessary or advisable to carry into effect the purposes and provisions of this Act.

Mr. GUNN: I have a slight amendment to that.

Mr. GREEN: What about the unemployment insurance provisions?

The CHAIRMAN: We will put that at the end of the Act.

Mr. GUNN: This is an amendment to the regulations. It is proposed to insert as a new paragraph the following as paragraph (h):—

To prescribe conditions upon which allowances may be paid to or in respect of pensioners and the cost of training such pensioners where they are found to require training or retraining after the expiration of the time limits imposed by this Act.

It has been pointed out to me that we were not very certain about having the authority to retain where certain training already given has failed of its purpose.

Mr. WOODS: Two or three years after the war a pensioner may have a further amputation and require further training.

The CHAIRMAN: We are putting (h) in and renumbering (h) as (i).

Mr. WRIGHT: It seems to me that goes pretty far. I do not know whether that is in all the Acts or not: "To prescribe conditions, additional to those provided in this Act, to the eligibility of veterans for the payment of any allowance or other benefit under this Act." By that regulation you can wipe out practically the meaning of this Act.

Mr. CROLL: "Additional to those provided"?

Mr. WRIGHT: Your additional provision may make it impossible for a veteran to qualify. It seems to me that that goes a long way. It is open to doubt as to whether we should give that authority to the minister or to the department to practically wipe out an Act passed by parliament.

Mr. WOODS: It is taken out of the treatment regulations. It is thought that it probably belongs here. Under the treatment regulations the minister has a right to provide training or retraining for a pensioner at any time during his lifetime, and this is lifted out of the treatment regulations and put in here in order to authorize the minister under this measure to provide training and retraining.

Mr. GREEN: In regard to the matter Mr. Wright has mentioned, it seems to me that clause (a) restricts the right of the veteran very much.

Mr. CROLL: I am interested in the answer to the question that was asked.

Mr. GREEN: I think that Mr. Woods in his answer dealt with this new (h) rather than (a).

Mr. GUNN: I may say that the purpose of this was to enable the Governor in Council to extend the benefits in cases where the Act does not specifically provide.

Mr. WRIGHT: Let us put something in there to say that this clause can only be used for an extension.

Mr. GREEN: It reads as though it would contract.

Mr. WRIGHT: Yes. Let us put something in to that effect.

Mr. CROLL: They say to prescribe conditions in addition to those provided in this Act.

Mr. FULTON: Provide conditions extending the eligibility.

Mr. WRIGHT: Something to that effect.

Mr. GUNN: We are willing to accept that: to prescribe conditions extending the eligibility.

Mr. FULTON: Substitute the words "extending the eligibility".

The CHAIRMAN: You would leave in "additional to those provided in this Act extending. . ." instead of "to" in line 37. May we now carry that as amended?

Carried.

Mr. GUNN: Section 22 would come next. I do not think it is very important for the reason that the unemployment insurance provisions do not depend on this particular section for expenditure or anything like that. We can deal with 22 next.

The CHAIRMAN: That will be section 20.

All expenditures made under this Act shall be paid out of moneys appropriated by Parliament for the purpose.

Carried.

The CHAIRMAN: We come back again to section 17, which will then be section 21. Now, these are the unemployment insurance adjustment sections. Would you like to make a statement on the three of them?

Unemployment Insurance Adjustment

21. A veteran who completes fifteen weeks in insurable employment under *The Unemployment Insurance Act, 1940*, within a period of twelve months, whether continuous employment or not, shall for the purposes of that Act be deemed to have been in insurable employment immediately prior to the commencement of the said fifteen weeks period for a period equal to his service in the armed forces after the thirtieth day of June, nineteen hundred and forty-one, and the said insurable employment shall be deemed to have been continuous as nearly as may be without being contemporaneous with any period during which the veteran actually was in insurable employment under said Act prior to the said fifteen weeks period.

22. As soon as may be after the Unemployment Insurance Commission ascertains that a veteran has completed fifteen weeks in insurable employment, there shall be credited to the Unemployment Insurance Fund out of moneys appropriated by Parliament for the purpose an amount equal to the combined employer's and employed person's contribution under *The Unemployment Insurance Act, 1940*, for a period equal to the veteran's period of service in the armed forces after the thirtieth day of June, nineteen hundred and forty-one, and the rate at which the said combined contribution shall be computed is the average of the contributions shown by the veteran's unemployment insurance book to have been paid by him and on his behalf for the said fifteen weeks; and for the purposes of *The Unemployment Insurance Act, 1940*, the veteran shall be deemed to have been *bona fide* employed in insurable employment during the said period of service and all contributions shall be deemed to have been paid under the said Act in respect of the veteran during the said period of service.

23. Where the government of one of the United Nations has agreed to pay in respect of each of the veterans of its armed forces who were domiciled in Canada when they joined such armed forces for the purposes of the war, as soon as may be after the Unemployment Insurance Commission ascertains that he has completed fifteen weeks of insurable employment, an amount equal to the combined employer's and employed person's contributions under *The Unemployment Insurance Act, 1940*, for a period equal to the veteran's period of service in the said armed forces after the thirtieth day of June, nineteen hundred and forty-one, computed at a rate equal to the average of the contributions shown by the veteran's unemployment insurance book to have been paid by him and on his behalf for the said fifteen weeks,

- (a) the word "veteran" in section seventeen of this Act includes a person resident in Canada,
 - (i) who served in the armed forces of such nation,
 - (ii) who was domiciled in Canada at the time he joined such forces for the purposes of the war and
 - (iii) who has been discharged from such forces, and
- (b) as soon as it has been ascertained that any such person has completed fifteen weeks in insurable employment, he shall, for the purposes of the said Act, be deemed to have been *bona fide* employed in insurable employment during his period of service in the said armed forces and all contributions shall be deemed to have been paid under the said Act in respect of him during the said period of service,

and, in any such case, every amount paid under the agreement shall be paid over to the Unemployment Insurance Fund.

24. If, on making any report on the financial condition of the Unemployment Insurance Fund the Unemployment Insurance Advisory Committee finds that the said Fund has been adversely affected by reason of the provisions of sections seventeen and eighteen of this Act, the Committee shall, in its report under section eighty-four of *The Unemployment Insurance Act, 1940*, state the amount and the manner in which the said fund has been adversely affected as aforesaid, and the Governor in Council may on receipt of the said report take into consideration immediate measures to remedy any depletion of the said fund due to the operation of this Act which depletion shall have been established by the aforesaid report of the Unemployment Insurance Advisory Committee.

Mr. GUNN: Mr. Walsh of the Unemployment Insurance Department is here.

T. R. WALSH: Legal Adviser, Unemployment Insurance Commission, *called*:

The WITNESS: Mr. Chairman, the effect very briefly of this provision is that when a man has been employed for fifteen weeks in insurable employment after discharge, following service in the armed forces, he is then given full credit for the period of his service in the armed forces, subsequent to June 30, 1941, as if that time had been spent in insurable employment. That is, he gets the benefit then of unemployment insurance protection for the full period of service in the armed forces subsequent to June 30, 1941. The reason for that date is that that was the effective date of contributions, the commencement of contributions under the Unemployment Insurance Act. The purpose of the fifteen-week period, insurable period after discharge, is a rough test that he is a man who would ordinarily have been in insurable employment had he not served in the armed forces. There is a new feature in what is now

proposed as clause 19 of the bill; the suggestion that we obtain power to extend the same provisions to men who served in the armed forces of any of the other united nations if that government is prepared to pay the contribution to the unemployment insurance fund in the same manner as the Department of Veterans Affairs now pay the contribution for those who served in the Canadian forces. When a man has spent fifteen weeks in insurable employment after discharge the Unemployment Insurance Act gives the particulars to the Department of Veterans Affairs who then pay over to the unemployment insurance fund the total combined employer-employee-government contribution, so there is no cost to the man at all, and his insurance record is just the same as if he had spent that time in insurable employment in Canada.

I think, Mr. Chairman, that is the brief effect of these provisions which are in substance the same as the present provisions of the post-discharge re-establishment order.

Mr. GUNN: I have drawn your attention to the proposed amendment in 18, and I think you are familiar with that. Mr. Chairman, in line 19 it is proposed to strike out the words "and the rate" down as far as the end of the word "contributions" in line 20, and substitute these words, "and such combined contribution shall be computed at the average rate of the contributions." It will then read: "and such combined contribution shall be computed at the average rate of the contributions."

The CHAIRMAN: That is a matter of accounting between the government departments anyway.

Mr. GUNN: Yes.

The CHAIRMAN: Now, the only thought that occurs to me is that this is the first time we have run into the united nations in this legislation. Why was that done?

The WITNESS: The charge d'affaires of the Netherlands government made the request to the Department of the Secretary of State several weeks ago asking that we lend to them our facilities in this regard and they undertook of course to pay the contributions in the same way as the Department of Veterans Affairs pays in respect of Canadian veterans.

Mr. GUNN: With that undertaking we would like to make it possible for them to get the same protection. These are men who were employed in Canada before joining the armed forces of the united nations. The only government that has made that request is the Netherlands government, and this would make it broad enough to take care of any further requests by other of the united nations.

Mr. CROLL: It is a good idea.

Mr. BROOKS: There is no objection to that.

The CHAIRMAN: It is the first time we have run into it. In the other regulation we refer to the government of His Majesty and its allies, but this takes in governments which are not allied at all. I have no objection to it.

Mr. GREEN: They were allies.

The CHAIRMAN: No, Argentina was not an ally. This would take in Argentina.

Mr. CROLL: I see your point. Instead of allies it is united nations. A Jap could get in.

The CHAIRMAN: I cannot see any objection to it.

Mr. CROLL: Let us think this over.

Mr. GREEN: That should be "allies".

Mr. CROLL: I am opposed to Argentine citizens getting any benefits.

Mr. BENTLEY: If they fought with our forces?

Mr. CROLL: They were not allies.

The CHAIRMAN: I prefer one of His Majesty's governments or his allies.

Mr. CROLL: Yes, I think you are right.

The CHAIRMAN: We will change that and draft it.

Mr. GREEN: That may not be the proper terminology, but the draftsmen will understand that.

The CHAIRMAN: It is the same as the other Act.

Mr. GUNN: There is one little change. It is purely a matter of changing the word "were" to "was" and "they" to "he".

The CHAIRMAN: Now, then, may we carry these three clauses? Then there is the last clause 20 that is also a matter of accounting between government departments. May we declare them carried?

Carried.

The CHAIRMAN: Then there is the title of the bill. This is a very important matter. I think several members have some good ideas on that—to provide rehabilitation allowances for veterans. The Veterans' Rehabilitation Allowance Act; is that satisfactory? We have a Veterans' Land Act, a Veterans' Allowance Act and a Veterans' Rehabilitation Allowance Act.

Mr. WOODS: I think it would be more euphonic to call it the Veterans' Rehabilitation Act. We have the Veterans' Insurance Act, the Veterans' Allowance Act, the Veterans' Land Act, and if you call it the Veterans' Rehabilitation Act it would be very euphonic.

Mr. GREEN: Would there be any confusion with re-establishment credit?

The CHAIRMAN: I think it is more likely to be confused with the War Veterans' Allowance Act if we allow "Allowance" in. Shall we carry it leaving "Allowance" out?

Carried.

The CHAIRMAN: May I have a motion to report this bill?

Carried.

The CHAIRMAN: Thank you very much, gentlemen, for staying here until we have got this through. Now, that brings up this question: Can we take it that the same understanding applies to this bill, if we can get the government to introduce it, that it will be put through in the way we have agreed on with the understanding that the subject-matter of it will be subject to consideration by this committee or by some committee next session and with the right to make recommendations and so on? Are we all agreed on that?

Carried.

The CHAIRMAN: That is fine. I wanted to be sure on this one because I have given my word and I do not want to get into trouble.

(Discussion followed on subjects to be discussed at future meetings.)

The committee adjourned to meet on Thursday, December 6, at 4 o'clock p.m.

Canada Veterans Affairs, Special
Committee, 1945

Mr. W. S. Woods
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SESSION 1945

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HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 31


Thursday, December 6, 1945

WITNESSES:

Mr. W. S. Woods, Deputy Minister of Veterans Affairs;

Dr. A. MacNamara, Deputy Minister of Labour.

OTTAWA
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PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1945



MINUTES OF PROCEEDINGS

THURSDAY, December 6, 1945.

The Special Committee on Veterans Affairs met at 4 o'clock p.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Ashby, Baker, Benidickson, Bentley, Blanchette, Brooks, Croll, Dion (*Lake St. John-Roberval*), Drope, Emmerson, Gillis, Green, Harkness, Harris (*Grey-Bruce*), Herridge, Jutras, Lennard, MacNaught, McKay, Moore, Mutch, Pearkes, Tremblay, Tucker, Winters, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Dr. A. MacNamara, Deputy Minister of Labour.

The Chairman tabled copies of Orders in Council P.C. 7164, dated November 30, 1945, and P.C. 7224, dated December 4, 1945, implementing recommendations of the Committee regarding extending the benefits of the Pensions Act to persons who have served in the armed forces of members of the British Commonwealth of Nations or of our allies, and regarding amending the Post-Discharge Re-establishment Order to permit a student to carry one 'condition' for a year. (Printed as Appendices "A" and "B" to this day's minutes of evidence).

Dr. MacNamara was called, heard and questioned.

Dr. MacNamara filed the following statements, which are printed as appendices to this day's minutes of evidence:—

Preliminary Report on Ex-Servicemen for November, 1945 (*Appendix "C"*); Advance Report on Labour Demand and Supply, dated December 4, 1945 (*Appendix "D"*);

Monthly Report of Active Claimants by Occupation, Unemployment Insurance Commission, as at October 31, 1945 (*Appendix "E"*).

The Chairman tabled a brief received from the Canadian Legion of the B. E. S. L. regarding the Civil Service preference, which is printed as Exhibit "F" to this day's minutes of evidence.

At 6 o'clock p.m. the Committee adjourned until Friday, December 7, at 4 o'clock p.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,
December 6, 1945

The Special Committee on Veterans Affairs met this day at 4 o'clock p.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: The first item is order in council P.C. 7164, which was tabled in the House this morning, having to do with bringing the rates under the Pension Act in respect of people who served in forces of the British commonwealth other than the United Kingdom up to the level of rates under our own Pension Act. That is being distributed to the members of the committee. (P.C. 7164 appears as appendix A to this report).

Then the other order in council—this order in council was recommended by our committee—is P.C. 7224, in regard to university students, providing that they can carry one supplemental forward into a succeeding year without losing their rights to grants; that also was recommended by our committee and was tabled in the House this morning and is being distributed to the committee to-day.

(P.C. 7224 appears as appendix B to this report).

Dr. Arthur MacNamara, Deputy Minister of Labour, is here with us this afternoon and will make a general statement on the placement of veterans; then he has various officers of his department who will make supplemental statements and then will be prepared to answer questions which the committee may wish to ask them in regard to the work they are doing. I will now call on Dr. MacNamara, Deputy Minister of Labour.

Dr. ARTHUR MACNAMARA, Deputy Minister of Labour, *called*:

The WITNESS: Mr. Chairman and gentlemen, I am very glad to appear before you, which goes without saying. The labour department has been, as you all know, very closely connected with mobilization during the war period. Very shortly after the end of the war we found ourselves connected with demobilization through what we called the industrial selection and release plan. The army, and the navy and the air force found themselves being urged to let out chaps who had some special case, or they thought they had, and employees want them back. Thousands of letters were coming in to the armed forces so they came to us and said, well now if you will help us with these letters and screen them and let us know what we should do with them. So we set up committees across the country and these applications were referred to the committees and dealt with on the basis of the need for a particular industry wherein they were being asked, and the department has worked out very well. I think it is just about to a point where we can call quits, and disband our committees. But I thought it should be mentioned as one of the things that the labour department has been dealing with.

The next thing that I would like to touch on would be the Canadian vocational training plan which is being carried on in co-operation with the provinces and using in a large measure provincial facilities plus additional facilities that we have been able to provide, in many cases we are using buildings formerly occupied by the armed forces. Mr. Thompson will be here, rather is here, and will be very glad to give you in greater detail other than I will submit to you. And I would suggest, Mr. Chairman, that he might be the next witness to be called.

And now then, the question of reinstatement in civilian employment; that, as you will recall, was covered by the Act passed in 1942. We will have officers here who will go over that particular Act with you. We are very happy to say that it is working out very well indeed. Employers all over the country are going even further than the Act suggests they should go, and we have had practically no trouble with it.

With reference to veterans and our national employment offices, we have set up veterans' placement divisions, the theory being and the arrangement being that with a veterans affairs department we would have one placement service, except in reference to the handicapped men, rather the badly handicapped men; and, in our national employment set-up we have provided for special sections where the veterans will go and get special treatment. Mr. MacLaren, Mr. Chairman, will develop the work being done there.

Also in the national employment offices we have what we call veteran employment advisers, to act as counsellors to ex-service men; and this plan is working out very well indeed. Also in the employment service we have a special division which deals with the handicapped men who do not receive the attention that is given to the very badly handicapped people by the veterans affairs department.

You will be interested I am sure in the general situation with regard to employment across Canada, and I have a brief statement here which I will leave with you. The first one to which I would like to call your attention is the one showing—I would like to say that it is a preliminary report and should be dealt with as such—it brings the figures up to the end of November—the total placement during the month of November of veterans in jobs through the employment service was 35,397 and in addition to that we had referred 6,505 men to jobs and we have not yet received confirmation of their placement. If you add those two together, and we could justifiably do that, that would make the total placements 41,800.

Mr. Mutch: Does that include the men who have been placed more than once?

The WITNESS: Yes it does, and the figures as to that are shown separately, Mr. Mutch. At the end of November we had registered with out employment offices all across Canada a total of 36,584 veterans who have not yet been placed or referred to jobs. The veterans are coming in and registering all the time. Of these 36,000, 19,000 have been registered with us for over fifteen days. That statement, sir, I will leave with you.

(Appendix C: Preliminary report on ex-service men for November, 1945.)

The CHAIRMAN: I think we should put this on record as a table.

Mr. GREEN: Is that shown by provinces?

The WITNESS: No, that is the total. We could give you the breakdown of it if you wish.

The CHAIRMAN: Have you got that here?

The WITNESS: No, I have not.

Mr. PEARKES: Is it broken down into the industries in which these men have been placed?

The WITNESS: That would be awfully difficult to get. We could get it but we would have to go back to the local officers who make the placement.

Mr. WRIGHT: Have you the figures of the number who have been placed a second or third time?

The WITNESS: I haven't got that for the November figures. I could give it to you for October. This is an advance report and it does not give all these details. I have an advance report on labour demands and supply which I thought you might be interested in as a committee. This report is dated

December 2, and it shows several headings, the first one being the totals of all male occupations except skilled and semi-skilled loggers. On the 30th, of November we had a total of 39,984 vacancies under that heading—that is the total of that number in Canada. We had under that same heading a total of 137,000 unplaced applicants; in other words, under this particular heading we had 45,000 jobs and 137,000 unplaced applicants. Under the heading of loggers we have 27,247 jobs and 2,644 applicants; and we have 27,000 jobs. The female situation: we have in Canada 26,600 unfilled vacancies and 37,861 applicants. The picture for Canada with these three sections added is, unfilled vacancies 93,831 unplaced applicants 178,501.

Mr. MUTCH: Could you say how many of these unfilled jobs female are for domestic service?

The WITNESS: I haven't got that here. I would say there were very few because there are very few registering for domestic service because they have really become aware of the fact that they cannot get them.

Mr. MUTCH: The point is they are not registering applications for that kind of service.

Mr. PEARKES: Could we have the total figures of those demobilized to the corresponding date? That would be interesting, to hear the number of applications and along side of it the number of men who have actually been demobilized.

The WITNESS: We could easily get those figures for you, sir.

By the Chairman:

Q. Of those unplaced you have the figures, of course, as to what numbers of those are veterans?—A. Yes, I have it for October. I do not think I brought it with me. I brought that November figure for unplaced veterans. I can give you the details of the veterans under very many headings for October but I cannot give it to you for November.

Mr. CROLL: Let us have what you have there for veterans. Just give us a rough idea.

Mr. LENNARD: While you are looking up those figures, I might say that they merely cover certain trades. For instance, there are a good many more looking for jobs than there are loggers, but that does not say that every veteran is a logger.

Mr. CROLL: We are trying to get a rough picture.

The WITNESS: I am not suggesting that. We will get those figures for you. I have not got them with me. That is, you want a statement covering veterans only?

Mr. CROLL: Yes.

The CHAIRMAN: Of course, we want the figures covering veterans so that we can relate the general picture of employment.

The WITNESS: Right. Here are some extra copies. I have one other statement which will be of interest to you. That is a table of the unemployment insurance claimants by occupations as at October 31st, 1945. We find that a total of 43,638 active unemployment insurance claims are in pay as at October 31, 1945. While we have a considerable number as I have said—more than this—of men who have registered for work whom we have not been able to place there are only 43,638 men who are asking to have unemployment insurance benefits. These are broken down into divisions here. Mr. Green might be interested in Vancouver. There are 6,534 in the British Columbia region who are getting unemployment insurance benefits.

By Mr. Green:

Q. Is that soldiers?—A. No, it is the total. Out of that total there are less than 300 soldiers.

The CHAIRMAN: I have just handed out a copy of the advance report Dr. MacNamara just mentioned. I see it is marked "confidential". Is there any objection to this appearing in our record?

The WITNESS: None whatever, sir.

The CHAIRMAN: Apparently I have only four copies of this. Have you glanced over it? Would you like to have that appear in the record?

Mr. CROLL: Yes, you had better have it.

Mr. HARRIS: Yes, we want it in.

The CHAIRMAN: We will put that in the record.

(Appendix "D")

By the Chairman:

Q. You are dealing now with what?—A. A member was asking in regard to the number of discharges month by month. I have the figures here since V-E day up to October 31st, the October figure being 92,000; the September figure 74,866; the August figure, 34,866; the July figure, 24,528, and the June figure, 15,282.

I thought that your committee would be interested in knowing that the employment service is working on the spotty unemployment situation which we have across Canada. I would think that a fair statement would be that there are in the neighbourhood of 150,000 men and women in Canada who have not been able to find jobs, and for those people seeking jobs we have some 90,000 unfilled vacancies. The difficulty, of course, is that it is pretty hard to fit the applicant for a job into the jobs that are open. As you all know everybody cannot go into the woods. We are advertising the jobs which are registered with our office in all the daily papers. We call the attention of those seeking work to the jobs available. We have been doing that for about three weeks, or probably longer. It has had a very good effect. It has brought a lot of people into our offices and has helped us to make a lot of placements.

By Mr. Brooks:

Q. I had a letter today from a coal operator in the maritimes saying that they were very short of miners. He was of the opinion that the public generally did not know that there was a shortage of miners, and that possibly the labour department might do more advertising along that line. That was his suggestion. I really do not know what the situation is.—A. The situation in regard to the eastern coal mines is that they want skilled coal miners. We have gone through Canada with a fine tooth comb to find them on various occasions. There are quite a number of skilled miners coming out of the armed forces, and they tell me that two out of every three of those fellows who are coming out feel that they want to try something else other than coal mining. I am not so sure we can blame them for that. I was saying, Mr. Chairman, that we are advertising these jobs which are vacant in Canada. In addition to that we send out a weekly letter from each local employment office to the employers in every district. For example, in Ottawa there are certain employers, not necessarily in Ottawa city itself but in the surrounding area, who are dealt with by the Ottawa office. Each week the manager of the Ottawa office will send to each one of these employers a letter giving him some message of interest and telling him the occupations of the men and women who have applied to the office for jobs. In other words, they tell the employer what is available and ask him to place his orders through the employment office. In the last day or so we have decided that as to these men and women in Vancouver or Victoria who are finding it difficult to get jobs there we will give them transportation to other parts of Canada if they have homes in other parts of Canada or if they have

a chance of a job in that new location, provided that the community they want to go to is not already crowded.

The CHAIRMAN: Gentlemen, I have here another chart which Dr. MacNamara has given me showing the monthly report of active claimants by occupation, divided into twenty-four occupations and showing the active claimants from Moncton to Vancouver, male and female. I think that would be of great interest to the committee. I will hand out the few copies I have, and with your permission we will put that on the record for study, too.

(Appendix "E")

The WITNESS: One other thing I thought I should mention that we are doing is that we are going to send out to all employers in Canada, including farmers, a letter explaining to them the situation in regard to the surplus of men and women and asking them to try and add to their staff at the present time in order to get over the difficult period of the next four months until jobs open up. We are also arranging to use some of our men who usually go out auditing unemployment insurance books—that is the employers' books—as job seekers. They are going around to visit employers, and we will ask them to give us jobs.

That is a general outline of what the Department of Labour is doing. I would suggest that the details can be given better by some of the other officials. I would suggest that you call on Mr. McLaren, but if there is anyone wants to ask me any questions I will answer them.

By Mr. Wright:

Q. Dr. MacNamara, I should like to make a suggestion if I may. I do not know how widely you are advertising jobs which are available in weekly newspapers in western Canada. Are you just using the dailies? It seems to me there are certain sections of western Canada where the weekly newspaper is the paper that is read, and the dailies do not reach them, especially in the rural areas. I think there are a great number of men coming back from overseas who are going back into the rural areas and who have no direct connection at all with your employment offices. Yet they are out of work, and some method should be used to reach them. I am wondering if it would be possible for the department to do what they do in western Canada during the harvest season where they have used local men to distribute some of that labour to where it is needed. If these local men could be used now to take care of jobs for some of the veterans who are coming back I think it would be helpful.—A. Mr. Wright, on the first question you asked, the use of the weeklies, because of the added cost and because of the need to keep the cost as reasonable as we could we have not up to date used weeklies. Most of our problem is in the urban districts, and consequently we have stuck to the daily newspapers. We have the question of using weeklies up for consideration at the moment. There has been some urging on it to do that, and it will be given very careful consideration. On the other matter of using local people—I presume you mean municipal officials, for example?

Q. Yes.—A. We have a conference under way at the moment with the provincial authorities with the idea of doing that. We propose to make a direct approach to the farmers themselves.

By Mr. Mutch:

Q. In your opening remarks you spoke of the appointment of these local boards whose duty it was to make a selection of those who were really essential in industry with a view to being discharged. Can you give us any idea as to what percentage of the opinions of those boards was rejected? I have in mind in the early days of the establishment of these boards having heard that something like only 30 per cent of the people who were recommended to be discharged by the local board in Winnipeg, for instance, were actually returned to indus-

try. As a supplementary question to that may I ask whether those rejections were as a result of the fact that the services found them to be essential or was it because the board of review in your own department did not concur and they did not go forward to the services? The suggestion has been made that the local board has made recommendations to the Ottawa board—I do not know whether there is one or not—and the Ottawa board has cut those off without referral to the service. What was the situation?—A. During the first month of the operation of this industrial release scheme there was a very rigid attitude on the part of both the regional boards and our board at Ottawa, and also by the armed forces. We were all a little afraid that it might run away with itself, that if we released people too easily and too readily the whole conception of first in and first out might be broken down. After the first two months we saw that it was safe to be much more lenient, if you wish, or reasonable, and the idea of having the regional boards recommendation reviewed by a board at Ottawa was abandoned. We allowed the decision of the regional board to go through to the armed forces, and then it became a matter of their releasing them if they could spare them.

Mr. MUTCH: I should correct myself in one particular. I said a moment ago I did not know whether there was an Ottawa board or not. That is obviously untrue. I have seen them too often.

The WITNESS: There is a board, simply a policy board to direct these regional boards and they do not scrutinize the applications any more.

Mr. MUTCH: My correspondence would make a liar out of me, so I might as well admit that I spoke in error.

The CHAIRMAN: Are there any other questions?

By Mr. Green:

Q. Dr. MacNamara, I understood you to say that within the last day or two your department have announced a policy of paying transportation for veterans? —A. No, everybody.

Q. For everybody?—A. Yes.

Q. Away from the Vancouver and Victoria areas if they are going to their homes or if they are going to a job, provided those districts to which they plan to go are not overcrowded already?—A. That is right.

Q. That is the policy.—A. That is the policy.

Q. I guess there is no doubting the fact that the re-employment and unemployment problem at the moment is more serious in that Pacific coast area than anywhere else in Canada?—A. No, I would not say so, Mr. White.

Mr. CROLL: They are just crying more about it.

Mr. GREEN: You have the wrong colour, Dr. MacNamara. My name is Green.

The WITNESS: We have a lot of men in our own department with colour names, and I may have been confused.

The CHAIRMAN: His name does not describe him properly.

The WITNESS: I would say that the situation in Windsor is probably worse than in any city in Canada, which is due to the Ford strike. Probably the next most difficult place is Quebec city. One might go on making comparisons, but I would not say that Vancouver and Victoria were the worst spots in Canada.

By Mr. Green:

Q. What is the cause of the trouble there?—A. In Vancouver?

Q. Yes.—A. The lay-off in the shipyards and the lay-off in the aircraft industry.

Q. Has your department made any check of the men being demobilized there? Because I think the fact is that many men have asked to be demobilized

in British Columbia who did not enlist from British Columbia.—A. No. That check would not be made by our department. The statement has been made to me that that is a fact, that many men are taking their discharges in Vancouver who belong elsewhere. I think probably it has been made to you, Mr. Woods, has it not?

Mr. WOODS: I have heard that statement.

The WITNESS: We have reported it to the various defence departments.

By Mr. Green:

Q. Does your department consider that is the case?—A. Yes. We think more men are taking their discharges in Vancouver than belong there.

Q. And is there any possibility of meeting that situation? Frankly, I am very much concerned about it. I think that is a very serious situation. There have been public meetings and there is great unrest about it. Your own minister, Mr. Mitchell, was quoted in our Vancouver *Sun* on November 29 as saying this:—

Hon. Humphrey Mitchell, Minister of Labour, told the *Sun* to-day that his department was doing everything possible, but that his task was made hopeless by lack of jobs.

Something to the same effect is reported as having been said by William Horrobin, who was your regional employment officer for British Columbia and the Yukon. The statement is printed in the *Province* of November 24, and is as follows:—

William Horrobin, regional employment officer for British Columbia and the Yukon, sees only one eventual solution; the development of new secondary industries.

Basically the province at present is an employer of unskilled labour in its mines and woods. It can absorb the skills of its returning veterans only by developing industries to process the raw materials it produces.

"Without secondary industries, I don't see any solution at all", he says.

Of course, the industries you have mentioned, ship building and aircraft construction, were secondary industries employing thousands of men. I suppose you would not question those statements by those two men of your own?

Mr. CROLL: Not the first one, anyway.

The WITNESS: There is one gentleman there I had better not question. As to the second one, I do not know that he is quite sound, looking at it from a national point of view. I wonder if this is not a more sane approach. We have at the moment, I think, around 150,000 people out of work. When you look back to 1941, when I would think the average chap would say we were certainly stepping out of the depression at that time and probably would say we had a fairly high level of employment, you were talking about shortages of men and women for war work in June, 1941. Yet I notice that in the June census of 1941 there were 24,000 people reported as being out of work in Vancouver. Right now I would say that 14,000 would be a pretty high number for Vancouver. When you compare June, 1941, when there were 24,000 registered out of work, with right now, is it so serious? This is the bad season for employment and would it be such a difficult season to try and place 150,000 people in industry in Canada?

Q. Of course, the difficulty you meet, I suppose, is that jobs are quite often not where the people are?—A. That is true; and I think there has to be some shifting of population.

The CHAIRMAN: It is the other way around, is it not? The people are not where the jobs are.

The WITNESS: Vancouver during the war, as you know, had a big increase in population.

By Mr. Green:

Q. Of course, there have been thousands of people from the prairie move to the coast during the war. That is correct?—A. That is correct.

Q. And we are very glad to get them. All the best of them came out.
The CHAIRMAN: Hear, hear.

By Mr. Green:

Q. Is any check being made now concerning the people still moving to the coast from the prairie, because our press is reporting daily that there is still a very large movement of civilians from the prairie to the coast.—A. No, there is no control.

Mr. CROLL: How could you stop it?

By Mr. Green:

Q. Have you any records?—A. No, we have not.

Q. I beg your pardon?—A. We have no authority to check anything of that kind. We have made no attempt to check it. I doubt very much if we could.

Mr. MUTCH: What difference would it make?

By Mr. Green:

Q. Have you had reports from the coast that the case is as I have stated?—A. Yes, indeed we have.

Q. Then what would be the result, in your opinion, if the public works projects that have been planned were to be proceeded with now rather than waiting for a year?

Mr. CROLL: What projects?

Mr. GREEN: How would that meet the employment situation?

Mr. CROLL: What was planned? Do you know?

The WITNESS: I think you ought to get some one from the Reconstruction Department or Public Works to answer that question. I do not feel that I know enough about it to answer you intelligently. I think I would have to say that I do not feel competent to answer that.

By Mr. Green:

Q. So far as the Department of Labour is concerned, the plan for meeting the situation is to shift people away from the coast. That is the only plan?—A. Shift people away from places where there is evidently a surplus brought about by the war activity.

Q. So far as the Pacific coast is concerned, your plan is to move the people away?—A. That is one phase of it.

Q. What other plan has the Department of Labour for meeting that situation?—A. We have the plan of approaching every employer in the area in British Columbia and inducing him to extend his activity and take on more people. I am a believer of this, that many employers in Canada have still got in their minds that there is an acute labour shortage in Canada. That may seem strange, but I am quite convinced that it is true.

Q. They already have a campaign on, known as the "Hire a Veteran Campaign" in Vancouver?—A. Yes.

Q. You probably know of it?—A. Yes; and it is bringing in some jobs.

Q. Are there any other plans you people have in mind to help meet this situation?—A. Well, of course, we try to stay in our own phase in this matter; and our job is to drum up all the jobs that we can and place all the people we

can. The question of public works or that sort of thing is a matter for the Reconstruction Department.

Q. I realize that.—A. Yes.

Q. And your department is more or less an advisory and employment bureau department?—A. We are a placement agency.

Q. Yes, a placement agency. But I am afraid that the situation is far more serious than you realize. I would ask you to have your department investigate the whole situation very carefully, in order to see whether it is not going to be necessary for the dominion and the province to go ahead with some of the public works which they have had planned for some years, rather than sitting back expecting private employers to take up the slack there.—A. As far as watching it closely is concerned, we do get daily reports of the unplaced applicants and the unfilled jobs, and we do give that to the Minister of Reconstruction as it comes in.

Mr. GREEN: You see, the Minister of Reconstruction announced a few weeks ago that public works projects would not be gone ahead with for a year and perhaps for two years. I do suggest that the situation is very serious because of these special factors—the extra men being demobilized on the coast, prairie people moving out there, and the war industries being closed down,—and that some drastic measures will have to be taken.

By Mr. Pearkes:

Q. I wonder whether the figures which have been given really do represent the true picture; because I asked the question regarding the number of men who had been demobilized from the services, which of course is very much in excess of the numbers of those who have applied for jobs with the department. I should like to know whether the men who are drawing out-of-work benefit under the provisions of the bill which we were considering yesterday, are included amongst those who are considered as being out of work by the deputy minister's department. Would they be included?—A. Well, the situation there is that a large number of people are looking for positions—173,000, I think the figure was—in Canada, and all of them have not applied for unemployment insurance benefits.

Mr. CROLL: 45,000 of them.

Mr. PEARKE: But would those men who are drawing out-of-work allowances be included?

Mr. Mutch: Veterans.

By Mr. Pearkes:

Q. The veterans would not be included in your figures at all.—A. Oh, yes; of course they would be included. A man who was getting unemployment benefits is an applicant for a job.

Q. That is different from the out-of-work allowance.—A. Oh, yes.

Q. So that the men who are drawing out-of-work allowances would not be shown in your figures.—A. That is true.

Q. I just bring that in to emphasize the point that there may be many more men out of work, actually out of work, than are indicated by your return.—A. Yes.

Q. And then of course there would be quite a number of men who have recently been discharged from the services, who are living on the month's pay that they get and their rehabilitation grants, who may not be actually looking very seriously for work at the moment, but who are still out of work, have not jobs to go to.—A. Anyone who applies to the employment office is included in that total. Anyone who applies for a job, even though he may not be looking very seriously, is included in that total. Those who are getting out-of-work benefits through the Department of Veterans Affairs are still men looking

for jobs and they are included in the total too. Those who are getting unemployment insurance benefits or out-of-work benefits—either one of the two—are included in the total I have given because they are applicants for jobs.

By Mr. Ross:

Q. In this unemployment matter is it not fair to say that great numbers of those people now unemployed do not want to take certain jobs? For instance—I have some interest in the farming situation in my part of the country—right now there is a decided shortage of farm help; it is very difficult to get good men who will be satisfied on a farm. I know there is reference on the radio every day to the difficulty with regard to prisoners of war working in the bush—that the Legion raises objection to it—but the employers say, on the other hand, that they cannot get these people to take the places of the prisoners of war in the bush. I am raising these questions to get a practical answer. I am not so sure but that the point raised by Mr. Green—and it is well taken—might solve our situation yet, because the construction people call for a lot of tradesmen. On the other hand, are we not going to face quite a problem with a great many of our men who are discharged and unemployed who do not want to go back to the same type of work that they did before? Is not that the problem facing us in the near future?—A. Undoubtedly, Mr. Ross, you are right. Most of the people in Canada want the nice jobs. I doubt very much if we could easily fill up the lumber camps to-day if we sent the prisoners of war back to Germany. I give that example. We might have to face up to that. There are 11,000 of the German prisoners of war working in lumber camps. I doubt very much if we could get men to go to fill their places if we took those prisoners of war out. Certainly, the employers are of the opinion we cannot. We have a large number of conscientious objectors—I have forgotten the number—who are frozen on dairy farms all over Canada. We would have the greatest amount of difficulty in replacing them if the conscientious objectors were released from their obligations. You are undoubtedly correct.

Q. I think you spoke to the agricultural conference in Ottawa recently. Do you believe that the farmers of this country would still have great difficulty next spring, with prices and so on, in order to obtain a satisfactory type of help for the farms. Is that not right?—A. I think we are going to have a very grave shortage of farm workers next year, in 1946. We are going to lose our prisoners of war. We are going to lose the opportunity of getting men from the armed services for farm work, and we are going to lose these conscientious objectors—at least I think we will. I believe they are going to have quite a shortage of farm workers. In fact, I have suggested to our group that we might consider approaching farmers now and asking them to engage their men right now when we think they can get them, and engage them for a twelve-month period. I believe it would be a wise move for most of the farmers to do that.

By Mr. Mutch:

Q. Mr. Chairman, I would like to ask Dr. Macnamara a question. Have you figures, or the approximate figures, of the persons in the armed services—there was a survey made in 1943; whether there has been one made subsequently or not, I do not know—of the percentage of those being discharged from the services who have jobs to go back to?—A. Yes, speaking from memory, I think about 25 per cent have jobs to go back to.

Mr. CROLL: The actual statement in the House, as I recall it, was 50 per cent. I have a special note of it. That is the statement on the record. It amazed me, because I understood it was 25 per cent. What is it anyway?

The WITNESS: I am reading now from a statement concerning men who were interviewed prior to discharge between July 1, 1944 and August 31, 1945:

Expect reinstatement, 24·8 per cent; returning to own business, 4·4 per cent; returning to own farm, 4·3 per cent; new job available, 12·4 per cent; seeking employment, 28·9 per cent.

Mr. Mutch: You have just under 50 per cent by that, of those who had beforehand established plans for their own re-establishment.

The WITNESS: Quite.

Mr. Mutch: I raised that point because I think if we are going to relate the question of discharges to the question of possible employment, those figures are important and should be kept in mind. It is not adequate to assume that because 16,000 men are discharged in an area at a given time that 16,000 men will require to find jobs or have jobs found for them. Offsetting that there is another situation which Mr. Ross touched on with respect to farms which is, perhaps, a more acute problem than in other places. I have in mind one small establishment with sixteen of their personnel serving overseas. Of those sixteen, nine were entitled to jobs when they came back. The others were chaps who filled in for a little while and then went on. You can not keep the same job for two or three men. Of the nine, five had returned and four had refused to come back, the last time I spoke to those people, or had not taken advantage of the opportunity to come back and in some instances refused. They were all young chaps and they were looking, quite frankly, for an opportunity to do better, to get a better job than the old job was worth. There is quite a difference between the adequacy of a salary paid at age 19 and age 24, especially if the man has been married, as some of them have, in the interval. I think we will have to compare the figures of those who have applied through the agencies of the department with the jobs available more accurately than attempting to assess it in terms of general mobilization. From our own standpoint, I think for the purposes of this committee—in order that we may study it and have it available when we meet again—I think the department should keep track by districts of the veterans who had applied for placement and relate them, if you like, to the total discharged; because that will give us some idea of the percentage who have something to go back to. But at the moment the rest becomes a matter of figures without very much meaning to any of us. I know, for instance, from my own observation and conversation with men in a good many interviews—some thousands—that large numbers of boys came from rural communities, and when they were asked what they were going to do when they went home the one thing that a percentage of them said was that they were not going to go back to the farm. I did not take that very seriously, and I do not think the committee should, because I realize that when they come back and they have no place to go they go back to their community and their environment on a thirty-day leave and they remake their associations. They have no associations elsewhere, and a large number of those will reverse that decision—particularly those discharged at a time of the year when the opportunities for money elsewhere are not so good. They were thinking of employment in Canada in terms of the men employed in war industries in all the cities of Canada, and that gap, of course, has been very considerably narrowed. I think we had better keep out of the realm of speculation and deal with this in terms of those who actually come to the employment offices and say that they want a job, not necessarily a better job, but a job; and then we will probably keep our feet on the ground. The mere fact that a large number are discharged in one place, even in Vancouver where the situation, according to Mr. Green, is acute—I do not think there is any doubt that at this time of the year considerable numbers of individuals will take their discharge in Vancouver, because it is a nice place, they have been told—I tried to dissuade them, but they had been told it was a nice place to spend the winter.

Mr. Green: They might even let you out there some time.

Mr. MUTCH: I have been there, but I have escaped.

Mr. WRIGHT: I should like to support Mr. Green in saying that the department should keep a close eye on the amount of public works which should be started in this country to take care of the situation. I do not know whether that time has arrived now. The department should have information which will enable them to decide exactly when that point has been reached. Maybe I would not agree with Mr. Green as to where public works should be started; I think they should be started where the men are leaving from to go to the coast rather than at the coast.

Mr. GREEN: Both.

Mr. WRIGHT: Both places; but this other angle should be considered too. If there was work in Saskatchewan for all the people there they would not be going to the coast, even though the climate is much nicer there, we will admit.

Mr. MUTCH: Saskatchewan people could not live on the coast; those people out there work for nothing rather than leave.

By Mr. Wright:

Q. The other question I wished to say a word on has to do with what Dr. MacNamara said, that there would be, he believed, quite a shortage of farm labour next spring. Now, I am convinced that it is not only the work on the farm—that is not the only reason why farm labour is not available—it is very often a matter of wages and the amount a farmer is prepared to offer to a man. If a man could get \$125 a month on a farm I think he would just as soon work there as take \$150 a month in the city. If we control our farm prices and put a ceiling on our farm prices which only allow a farmer to pay a certain wage then, certainly, you will find that that wage will not be sufficient to bring enough labour into the farm market to take care of the problem. I think the way to take care of that is by seeing that the farmer gets sufficient for his products so that he will be able to pay the wage which will be attractive so that they will take people into that industry rather than into some other occupation.

There is one other point I wish to raise. When General Burns was giving evidence before this committee we asked him with respect to men who were being trained in the occupational centres, as to just what liaison there was between the Department of Labour and the occupational schools to give these boys direction as to what occupation they should be training themselves for. Maybe I was wrong, but the inference I got from what General Burns said was that there was not very much direction at the present time being given to these fellows; that they were simply coming in and training for whatever they might take a notion to. I think there should be some definite direction given to them as to the occupations that there is need for in Canada at the present time. I think the Department of Labour, probably, would be the department that should have that information, and I would just like to ask you what the position is with respect to that?—A. On your first point, farm wages, it is a fact that farm wages have gone up during the war probably much greater proportionately than in most industries. I for one hope they will retain the level they are at now or even higher.

Q. They still depend on prices?—A. I think what you say is perfectly true, and one of the things that has made it difficult to get farm workers is the wages that have been offered. On your second point, vocational training; the closest possible liaison is maintained, as Mr. Thompson will be glad to develop for you, between the employment services and the vocational training schools to see that we are not training men who could not be placed in jobs when their training is finished. It is true that we do not absolutely insist on a man taking the kind of training that he does not want to take. We try to counsel him to

take something, and it is not very often that we do not succeed in getting him to take something with respect to which there will be a job for him when he has finished his training.

By Mr. Croll:

Q. Coming back to your original statement with respect to the labour situation, you had in mind at the present moment, I assume the situation in Windsor; assuming that strike were settled this week, or before the end of the month—you know the situation there generally, the usual seasonal layoff and possibly very heavy layoff that may come as a result of war work ending; have you made any plans there for paying the transportation and cost of moving of those people to points where they are likely to obtain employment?—A. It is very strange that you should ask me that, because this afternoon I dictated a letter to Mr. MacLaren and Mr. Sullivan, regional superintendents, asking if they did not think that was an advisable thing to do; and if they see nothing wrong with it I think we will be doing it.

Q. One more thing while we are getting the labour picture here. I don't mind telling you, frankly, the figures you have given here are to me startling and a little bit disconcerting; but, on the other hand, I think personally we are through the sorting and receiving period in the country, and it is not as serious as it might appear to be on the surface. What concerns me more than anything else, speaking for myself, and speaking about the future, the immediate future—I would like to feel that you are worried, you and your department, as to the immediate labour future in the country. You do not look it just from looking at you, and I do not suggest that; but I would like to feel that we are concerned. What I have particularly in mind is this; too long we have sat back—and I am not complaining about the labour department—too long we have sat back in Canada waiting for the problem to come to us. I think it is time for us to go out and assess the problem and meet it more than half way. I wonder if that is the general approach that the labour department will take in the future?—A. Well, sir, that is the attitude I will take.

Q. Yes.—A. I would say that, and in saying that I believe I am speaking for the department; I am quite sure that I am. You wanted to know what my view is with regard to the next short period; I would say we are going to have a pretty tough time for the next two or three months, but I look to see it almost over after a period of three months and we will then find ourselves in a position in which we will be a bit short of manpower.

Q. May I make this rather startling suggestion to both you, and to Mr. Woods? I think personally that we are now letting men out of the forces altogether too quickly. I think that we are unwinding them much too quickly for their own good or that of the country. And now, mind you, I do not want to be misunderstood. I am anxious to get them all over here and to move them all over here quickly. I had a letter this morning from overseas and I have been hearing the same story; all of the boys are not so anxious to get out as these ones were because they do not know what the situation is. But I do think in view of the figures you have given us here; 90,000 for October, 74,000 for September, 34,000 for August—you have been demobilizing very, very quickly. It seems to me as a matter of policy that for this immediate period with the boys back home—and the country will not go broke any worse than it is at the present time, I doubt that very much—and if we give them a considerable amount of leave until such time as first they physically reconvert themselves, and mentally; and then, secondly, let us be ready to meet them when they come out. That is my suggestion to you, and to the Department of Veterans Affairs—and, without references to the treasury board, I hope.—A. Well, sir, that is something we have been considering. Is there not this thought though which we should not overlook, that since VJ-Day we have taken out of war industries

half a million workers, and in addition we have laid off very rapidly since VJ-Day probably 200,000 from the armed forces. I am speaking from memory but I do not think I am far out—probably three-quarters of a million people have changed their vocation since VJ-Day. And has it not been pretty satisfactory to realize that most of these people have been absorbed into civilian industries?

Q. No one wants to take away from you or anybody else the job that has been done, it has been amazing.—A. Not the job I have done, it is the job industry has done.

Q. Yes, the job industry has done; but what I am particularly worried about, and I think that this is our problem, is that during this immediate winter, from now until spring, we see as few veterans unemployed as possible. That is our particular concern here; and if there is unemployment, and there must be some because we are not ready to meet the problem; perhaps if they were kept on in their jobs, those immediate jobs or whatever they are doing in the army at the present time, until such time as there would be more jobs available for them it would be in the interest of the country generally.—A. Well, it is a very wide open question, as you will admit I'm sure; one of the main reasons being that the army, or the air force or the navy is no place to keep a man just because work cannot be found for him.

Q. Well, yes.

By Mr. Brooks:

Q. Mr. Chairman, might I ask a question? The situation as I understand it is in places like British Columbia and Windsor and perhaps Quebec and some other parts there is a scarcity of labour, then again—

Mr. GREEN: Did you not mean "jobs"?

Mr. BROOKS: "Jobs", yes. Then we are told that in places such as the lumber camps and similar places there are jobs without any men. And now, I know that the policy in so far as the returned man is concerned is that he is allowed to seek what is called suitable employment; that is, he is not obliged to go back to the mine unless he wishes to, or to go back in the lumber bush. Take these thousands of applications here of people out of jobs all over the country; are they asked to go to the lumber woods or to the mines or to the farms; and, if they say, well I do not think that is suitable employment for me, I have lived in the city here and I want to stay and work in the city are they put on unemployment insurance? I do not like to use the word pressure, but that is what I mean. But, is it suggested to them that they should go to the woods, or go to some place where employment is available and to take that sort of a job?—A. The answer to that is that the job is kept for the man at all times, even though it may be a job or occupation that he has not been following. But I would point out to you that under the Unemployment Insurance Act before you can refuse a man benefits the work must be suitable under the statutory terms of the Act. We haven't any authority to change that Act. I would not advocate that it should be changed, because these chaps might be machinists, or boilermakers, or carpenters; they have contributed to the fund out of which the unemployment insurance benefits are paid, and they look upon it as a right. We do not want to do anything in the way of compelling them to take work which is of an unsuitable nature in their opinion rather than give them unemployment insurance benefits for a reasonable length of time; and that is the policy which has been followed.

Q. I was not speaking about boilermakers, carpenters or professional men; I was speaking about the ordinary labouring man; and there are thousands and thousands of these who came from the country districts, who came from all over the country and poured into the cities.—A. Believe me, we are keeping the pressure on that type of individual. In very many cases they are finding

it quite difficult to get unemployment insurance benefits. There, too, it follows that you could quite easily defeat the purposes of the Unemployment Insurance Act by being over generous in paying benefits; on the other hand, you could quite easily wreck the Act by using it for the purpose of forcing men into some kind of an occupation they have never been accustomed to following; and that is a thing we do not want to do.

Q. I appreciate the difficulties of the department's position.—A. It is a case of using good judgment.

Q. You are satisfied that your people are using their best judgment?—A. Yes, I am, sir.

Mr. ASHBY: Mr. Chairman, the man who could have solved this problem of unemployment and who did solve the problem of unemployment is dead. His name is Adolph Hitler. Now he was a man who believed that everybody should be employed. He had what we call this "work for wages mania" which is a type of insanity. Either men live in order to work, to be employed, or they work in order to live. It must be one thing or the other. Are we going to say that human beings must live to work? Are we dictators? If so, let us go ahead and make work for everybody. Make them work with a pick and shovel. Work is not the only means to this end we call life, to live a full life. It is not the only means. There are other means of obtaining a living besides work and toil. We can use machinery. I said to my boys at home, "mechanize everything that you possibly can and do away with all the hired help you possibly can, and under no circumstances force a human being to work and toil on this farm the way I had to work and toil, and your mother and you children have."

Are we Hitlers or not? I have sat here for weeks and listened to all this nonsense about putting everybody to work. Such men are model Hitlers, and a model is a small imitation of the genuine thing. I have heard these little Hitlers stand up here and talk about employment—It is work, work, work; find work for everybody; make everybody work; and then they come around and tell us that there are 15,000 or 20,000 unemployed. I say, good. What these unemployed want is to be able to live. If you find they haven't got enough money to live, see that they get it.

I am sure of this: you cannot take any of these returned boys, these young men who are physically and mentally healthy, and keep them from working. I will guarantee that. But it is not my duty to compel them to work. They will work as they see fit, where they see fit, and when they see fit; and nobody is going to dictate to them when they shall work, how long they shall work, or what they shall do. I am not trying to take the place of Hitler here in Canada. Let us contradict all this employment business, this work for wages mania and let us get down to business to see that these men can live. That is why they went to war. All right, hand them over the money and let them live as soon as they get out of the army. Let them be whatever they will, let them do whatever they will. They will get to work and they will build this Canada and make of it a place worthy to live in if they are free to do so and discharge from office any men who impose restrictions upon them, who try to impose their will upon others.

I will define toil, work and leisure for you, and when it is written down here study it and read it. And I don't want to hear any more of this—I was going to use a little cuss word there—but I get mad sometimes sitting here listening to these model Hitlers all the time. Toil is the work men do because other men make them do it. Get that down. Work is that which men do because nature compels them to do it. You cannot keep any person idle who is mentally and physically healthy because nature says, "Get up and do something" and they are bound to do something. When they are free to work as nature guides them then we will have an abundance. Then, what is leisure? Leisure is the work men do because men want to do it.

By Mr. Harris:

Q. I should like to ask a very short question. As I understood the figures which you gave at the beginning there were 43,000 people drawing unemployment insurance and approximately 178,000 applying for jobs of one kind or another. Is that a more or less constant proportion in your experience between those drawing unemployment insurance and those actually applying for employment?—A. Both figures have shot up during the last two months.

Q. I mean proportionately.—A. It is a pretty difficult thing to say. We are coming out of an acute labour shortage, a period during which one might say that there was no reason for unemployment insurance benefits at all, and yet we had to pay some. Our experience is of such a short term I cannot tell whether this is a fair balance or not. It does look rather strange that the number of claimants for unemployment insurance benefits is so much smaller than the total number of people who have registered for work.

By the Chairman:

Q. There is just one thing I wanted to be sure about. On this table it says: "Total unplaced applicants at end of month", and that is 43,000. Is that the figure to which you are referring?—A. I am referring to the general statement.

Q. You would have people who are unplaced and who are not in receipt of unemployment insurance, would you not?—A. Yes.

By Mr. Croll:

Q. Have you any way of knowing what percentage of people obtain employment without going through your office at all? Can you guess at it at all?—A. It varies in different districts. I would think that the percentage is very small.

By Mr. Mutch:

Q. That is the general picture? You do not mean the percentage of veterans?—A. The general picture. Of course, quite a number of veterans, 28 per cent of them according to these figures, go directly to the job and they do not necessarily come to us at all.

Q. Does the department do anything to encourage people who have skills and who are unable to find employment at their trades to engage in small businesses of their own? Is there any source of information in your department to which those people can go for information as to the local possibilities? I mean a plumber or a carpenter or any one of half a dozen trades. Is there any information as to local competition and local conditions available in the department for people who come to you?—A. The information is available but he would get it from the Wartime Prices and Trade Board. They control the situation in regard to licensing people who want to go into business and they give them information.

Q. When people are looking for jobs they do not go to the Wartime Prices and Trade Board. What I am saying is does anyone in your department point out to them that they might be able to do that and send them to the Wartime Prices and Trade Board? It seems to me it is a very desirable end in this country that a lot of people who have skills should establish themselves. If they do that they become future employers. It is a matter of information as to whether any attempt is made to direct people in that way.—A. I would say right now that the tendency is the other way, to try and keep people going into business, except veterans.

Q. I confess that is what I was thinking about.—A. Veterans would be counselled by the Veterans Affairs Department, and very well counselled on that point.

By Mr. McKay:

Q. I notice in this Unemployment Insurance Commission report up until the 31st of October there were 1,804 ex-service personnel who were claimants during the month of October. Are we to assume from that these were veterans who had used their out-of-work benefits, or were they veterans who quite possibly were ignorant of the regulations that they could take the out-of-work benefits?—A. Mr. Woods knows about that better than I do and he says the answer is “yes”.

By Mr. Croll:

Q. How far have we relaxed selective service regulations? I am not clear as to that.—A. We have relaxed them almost entirely except in construction work and a few other jobs such as coal mining and that sort of thing. We are almost at the point where we are ready to go one step further and relax them all.

Mr. GILLIS: Mr. Chairman, I do not think the unemployment insurance figures give us a clear picture of my conception of why Mr. MacNamara is before the committee this afternoon. I think he is here this afternoon to give us what information he can as to the Department of Labour's activities in providing employment for returned service personnel, and not to analyze the general employment situation across Canada.

As I understand the problem the thing I should like to get at is the function of the Department of Labour in the matters over which they have control, and with particular reference to vocational training. I think the greatest limiting factor in the vocational training set-up is the lack of knowledge on the part of the field workers who are trying to counsel men for vocational training, and have not any knowledge of what they are going to train them for. I have talked to some of the field workers and they say, “It is all right to take returned soldiers in and say that we are going to train them and start to counsel them for employment but the fact of the matter is that there is not any employment we know of that we can turn them over to.”

In that connection I understand that the Department of Labour have recently set up throughout Canada certain personnel whose job it is to make a survey of towns, cities and districts to determine employment possibilities. That information in turn is to come back to the rehabilitation offices to the vocational training officers who are schooling and guiding service personnel into employment.

I should like to know if Dr. MacNamara has any figures as to what the employment possibilities are for service personnel coming back who are taking vocational training for some employment which they are going to take when they are ready for it.

The WITNESS: We have no figures that are as the result of the survey you speak of. It is a changing picture. The figures that you might acquire to-day might not be worth anything two months from now. You have got to counsel the people who are willing to take vocational training from general knowledge. We know that to-day there are thousands of bricklayers, carpenters and men in the construction trades wanted. We are developing schemes of training along this line. A man's past is checked. If he has any knowledge of carpentering, for instance, we may be able to get him graded as a second or third year apprentice in the carpentering trade by a combination of his background and the vocational training we give him. So it goes. A man is put in vocational training because of his ability to do certain jobs and because we know that in certain trades we can place them when they come out. It is not a thing you can do mathematically or that you can go out and pick up figures. It is a most complicated business.

The plan I favour most is the on-the-job training where you can put a man in and you know when he gets through his training with that employer

he will have work. That is the plan which we are developing where we can get an employer who is willing to do it and get a man who is willing to take the work on that basis. Heretofore our big difficulty has been to get men to take training of any kind. That phase of the matter is passing and men are now coming in.

By Mr. Gillis:

Q. Is it not largely a matter of the schools not being convenient to the place where a person resides?—A. No, I would not think that is true. For example, we were operating building construction trade schools in Toronto and we could not get men to fill the classes, and we were not able to fill them until just a few weeks ago.

Q. Will you tell us how many schools you have operating across Canada?—A. I would rather Mr. Thompson would give you that information.

Q. There is another question I should like to ask. To what extent are the divisional registrars, who called into the service the service personnel, being used in this demobilization period to place those same men? Personally I am critical of the fact that the induction machinery for taking service personnel into the services was not used in taking them out. I think they have a card index there of everyone who went into the services, where they came from, and what their employment background was in their respective military districts. When coming back out I think that was the spot where you had trained personnel and a card index of everyone coming back to their own province. I think you had the best machinery there that you could possibly get in routing men and determining their employment possibilities. I do not think that machinery has been used to the extent it should have been. Instead of that method being followed they are being handled by new machinery. You have set up new machinery for employment possibilities in this period. I do not think that the induction machinery that the services built up and the personnel who were trained have been utilized to the extent they should have been utilized. I think there is some merit in what Mr. Croll says. We are taking out of the services approximately 70,000 a month, bringing them back to Canada and discharging them. Employment possibilities are bad. Still we want to get them home. I think there is a very simple thing that could have been done. We have adequate camp space across the country. I think when men were brought home either in units or drafts these camps could have been used. Service personnel could have been sent back to their homes for thirty days. Then they could go back to these camps if we are not ready to employ them. They could have been retained there and that time utilized to train them.

Mr. HARRIS: They would not go back. Why talk about it?

Mr. GILLIS: I am not so sure of that. I think that any service man who came home and had a look at the employment possibilities in Canada today and considered the fact that he was being discharged and would be without income at the end of thirty days would perhaps revise his thinking. I spent a little time in the army myself. I know they are very anxious to get out of it, but if I was coming back today and looking Canada over from the standpoint of getting on a payroll I am not so sure that I would not be quite willing to take training in a well-equipped camp on full pay and allowances with the quartermaster still looking after my clothes rather than standing in a line at a selective service office for hours and hours filling in forms. Things may not be popular but whether they are popular or not if they are right they should be faced.

Mr. CROLL: You are making that army very enticing.

Mr. GILLIS: That is the way I see it. I think we are pulling down all that machinery, the schools which were established by the services and the trained personnel that were in them. They could all have been utilized in this period.

I should like to ask Mr. MacNamara to what extent you are using these divisional registrars. I went through one of these offices, the one in Halifax. That was two years ago, and it struck me at that time that in the demobilization period the equipment, statistics, data and the personnel they had there would be the ideal machinery for discharging people back into civil life.

The WITNESS: The registrars have been used in connection with dealing with applications for releases for industry. They have not been used in connection with the employment service or anything of that kind. I doubt very much whether the machinery would have been suitable for placement work. At any rate, we have not used it. On the question of using the training facilities that the army, navy and air force had, are you not overlooking the fact that the vocational training organization did the training for the army, as far as tradesmen are concerned?

By Mr. Croll:

Q. And you are using that?—A. We are using that machinery that did the training for the army.

Q. That is the same thing.—A. And as Mr. Thompson will explain, we are doing a lot of training right now.

The CHAIRMAN: I should like it if we could hear Mr. Thompson.

Mr. WOODS: Mr. Chairman, may I say a word just here?

The CHAIRMAN: Yes.

Mr. WOODS: I should like to say one word with respect to what Mr. Gillis has said. He implies that the bulk of the men coming out of the services now are unemployed. Every man coming out of the service is entitled to out-of-work benefits for the period of his service or 12 months. We have, if my memory serves me aright, approximately 4,000 drawing out-of-work benefits. The unemployment figures, I think, were 1,700. That makes 5,700 veterans drawing benefits from either the Unemployment Insurance Commission, because their time is exhausted with us, or from our department. I suggest that, out of the approximately half million that have already been discharged, that is a very small number.

I should like to say this further with respect to the method of counselling when they come out of the service. Mr. Gillis expresses the opinion that the same methods that were used to induct them into the service should be used when they are discharging them. Well, that is true. The same methods are used, but perhaps not the same personnel because the army personnel is shifting and many of those who inducted them are taking their discharges. But the same method is used in so far as that for every man or woman who comes out of the service there is completed on him or her what is known as a W.D. 12, when their background is gone into exhaustively, when their services are appraised, and this is form that is used as the basis of their training whenever they are put into training is the W.D. 12; and that is done by the trained counsellor in the service, a part of the service, before he ever leaves the Veterans Affairs. In-service counselling is done, and this form is compiled just exactly as was the process when they were taken into the service. So it is not correct to assume that a man is merely discharged from the military forces and then left to his own devices or to report to Veterans Affairs. In-service counselling is done, and his skills are appraised. If he is apparently a training case, he is referred to our department whenever he gets through his month's leave and so forth. So the same process is used although perhaps not the same personnel.

Mr. GILLIS: In-service counselling, I am going to say, is not very helpful, in many cases, not to your officials.

Mr. WOODS: Well, the form we designed ourselves in collaboration with Labour and the services. It was a form that was designed by the three of us,

army, the Department of Labour and ourselves; and that is the form that is used as the basis after the boy gets out of the service.

Mr. GILLIS: The form may be all right, but I have had this experience: I have sat in one of your offices and I have seen a string of army personnel waiting to get in to see your officials. I sympathized with them. Their general complaint was to this effect. These boys were built up in the service before they got out. Their hopes were built up terrifically high. They come in here expecting great things because of the counselling they got in the service. Now our back is to the Atlantic ocean; we cannot pass the buck any further, and it is quite a nightmare to us. Their hopes were built up too high. I am not saying that because I want to say it, but it is an actual fact. The form—I have seen some of these—that your officials get, it has his military background only.

Mr. WOODS: And his civil background.

Mr. GILLIS: It was the military background that I saw; for instance, that he is emotionally unstable; he might be able to do this, he might be able to do that. In many cases it hangs a tag on him and he does not know it. What I had in mind was this. Your divisional registrars' cards had the complete background of what he was doing, where he came from in civil life and all that kind of thing. Mind you, I do not think the divisional registrars can do the job alone, but I think they could be utilized very greatly in conjunction with your own rehabilitation offices. I know that your offices are understaffed; I know that they are underpaid and all that kind of thing. I am not impetuous. I do not want the thing done over night. But I think a lot of improvements could be made in the machinery and that we should utilize everything at our disposal to do the thing properly. That is why I say the divisional registrars, under the set-up they have there, should be harnessed into the rehabilitation set-up somewhere.

Mr. ASHBY: I think the figures given by Mr. Woods of only 4,000, you say, receiving—what do you call it?

Mr. WOODS: Out-of-work benefits.

Mr. ASHBY: I think those figures are very commendable indeed, when you consider the five hundred thousand men who have returned and there are only 4,000 getting those benefits.

Mr. WOODS: 4,000 to 5,000.

Mr. ASHBY: I think the department is to be commended on their work. It is a tremendous task. I want to state here that I realize the age of leisure is not here yet. We have far too much work to do in the way of the highways we have to build and so on. I do not need to go into those details. But I should like to ask what is being done for those four or five thousand who are apparently unable at the present time to adjust themselves to civil life. They can attend any of these trade schools, can they?

Mr. WOODS: Yes, definitely.

Mr. ASHBY: Would you explain how they can be contacted, or how contacts are made? I realize that there is some disability, some mental or physical disability, and perhaps they need rest or something of that kind for a considerable time in many cases. What are you doing to contact them and keep them actively interested in civil life?

Mr. WOODS: These are men who are registered for employment. Some of them will probably later take training, but for the main part they are men who have skills and they were registered for employment, and they are fully aware of the fact that training courses are available to them if they feel they need additional training. I should like to say, with respect to these counsellors in the services of whom I spoke, that these in-service counsellors have all been trained in a school that has been run by the Department of Veterans Affairs and the services jointly. So that our counsellors, the Department of Labour

counsellors and the in-service counsellors, all have a common concept of what the rehabilitation program is all about, so there should be no difference of philosophy, although I am willing to acknowledge that some men may have received improper advice. I doubt if that is a general thing, in so far as we have just finished our twelfth counselling school and the schools average 100 counsellors per school and approximately from one-half to two-thirds of those are service counsellors rather than Department of Veterans Affairs counsellors.

Mr. GILLIS: What I had in mind was this. I do not want you to misunderstand me in this. A counsellor in the district depot or over in the Old Country reads the book and the program reads fine. He does not tell the fellow he is counselling, because he does not anticipate it, that when he comes home and makes application for out-of-work benefits, he may have to wait six weeks until the cheque comes back from Halifax. He does not understand that part of it. Secondly, he does not tell him the difficulties of securing employment. That is what your counsellors who actually meet the man and have to do the job for you is up against. He thinks that program is there, that there is no difficulty of applying it; and he just does not make him see all the waits and delays and so forth that there are. As a result of that, a lot of the boys blow up.

Mr. WOODS: That has been due to the shifting of the employment situation.

Mr. CROLL: I wanted to say that I hoped Mr. Ashby did not understand that, approximately, there are 5,000 service men out of employment in this country at the present time. That was not the impression I got.

Mr. WOODS: There are about that number drawing out-of-work benefits.

Mr. CROLL: I realize that there are that number drawing out-of-work benefits. Would you hazard a guess as to the number who are now unemployed?

Mr. GREEN: Mr. MacNamara gave the figure.

Mr. CROLL: No.

Mr. WOODS: He gave the figure for the number who were drawing unemployment insurance benefits.

The WITNESS: Also the figure of those who were registered who had not been placed.

Mr. GREEN: 36,584.

Mr. CROLL: Not veterans.

The WITNESS: Veterans.

Mr. CROLL: I did not get that. Veterans?

The WITNESS: The total unplaced applicants who have been registered for 15 days or more, 19,339; and the total, including those who have been registered for less than 15 days, 36,584.

By Mr. Croll:

Q. Veterans?—A. Veterans.

Q. Oh, I did not understand that.

By Mr. Green:

Q. Where are they? Could you give us at what centres?—A. That is for Canada. I could get you a breakdown for October. This is for Canada up to the 30th of November.

Mr. CROLL: It is not quite as rosy as it would have appeared.

Mr. HARRIS: Mr. Chairman, may I ask a question?

The CHAIRMAN: Just a minute, Mr. Harris, if you would not mind excusing me. There must be some explanation of why that is. If there are that many applying for work and only around 5,000 getting unemployment benefits, how do you explain those two figures?

Mr. GREEN: It takes the Veterans Affairs Department so long to get the benefits out.

Mr. WOODS: No. I suggest the explanation lies in the fact that 150,000 were discharged in two months. As soon as they have their month's leave they come in and register for employment.

Mr. LENNARD: They might come 5 days after. They might not wait for a month.

Mr. WOODS: Yes.

The CHAIRMAN: I wanted to have that cleared up.

Mr. CROLL: They have a few dollars in their pockets and they are using them. They are not sticking the government.

By Mr. Harris:

Q. If we assume the figures are, just roughly, 175,000 all told and about 35,000 to 40,000 veterans, what does your department do, aside from the statutes and the civil bodies and all that, to try to find preference for the veteran? What does your department do to locate a job for a veteran ahead of a civilian?—A. In all of our employment offices we are giving priority to overseas veterans in referral to jobs. If there is one job open and three men apply for it, and one of them is an overseas veteran, he gets the call.

Q. Then do you contact employers to sell them that idea as well?—A. That is being done by what we call our employer relations men, and they go out and talk to the employers along that line; and in addition, Mr. Woods has his civilian committees located all over the country and they are doing that work too.

By Mr. Green:

Q. Are those men who go out doing placement work veterans?—A. Oh, yes.

Q. Are your men who go out doing placement work veterans?—A. Yes.

Mr. CROLL: Oh, yes.

By Mr. Moore:

Q. Earlier to-day the committee was told that a considerable number of German prisoners-of-war were being employed, I believe, in the logging camps. I should like to know what wages they receive.—A. Fifty cents a day, and they do not get that in cash. They get that in kind.

Q. Do you not think there would be a danger there that the employers would be much more anxious to pay those prisoners-of-war that rate than they would be to employ others?—A. The employer pays the government the going wage. The government makes a profit on it, if you like.

Mr. CROLL: Slave labour; good.

The WITNESS: On the employment of prisoners-of-war during 1945 the net revenue will be about \$2,000,000.

Mr. JUTRAS: Is not that money going to the Red Cross?

The WITNESS: Not on prisoners-of-war.

The CHAIRMAN: Thank you Dr. MacNamara. Gentlemen, I take it that the committee would wish to meet to-morrow at 4 o'clock and hear the officials of the department who will deal with the various branches of the work that is being done. Dr. MacNamara has dealt with the subject in a general way to-day.

I have been receiving representations to the effect that the present preference should be in some way abrogated or changed, and as I have said several times to the committee I thought that we should have a submission from the Legion on the matter and, perhaps, hear from the Civil Service Commission. I doubt that we shall have time to hear from the Civil Service Commission if we take time

to hear the remaining representations from the Department of Labour, which I think we should. However, I have here the submission of the Legion with regard to this preference, and I suggest to the committee that it would be a good thing—it is only about three pages—to put it into to-day's record so that the members may read it and it will help them to answer representations made in regard to that matter.

Mr. CROLL: Shall we have a chance to discuss it, or shall we not?

The CHAIRMAN: If we take to-morrow with Labour it seems to me we can only hope to sit about two meetings next week, and the question of discussing our report comes up. It seems to me that we should allow ourselves two meetings for our report. I have a feeling that when we get through with the submissions from the Department of Labour to-morrow night that that will be about all that we can hope to hear in the way of submissions. Of course, this is just my own suggestion and if the committee thinks differently I hope they will so state because otherwise we should arrange to call other people before the committee. My own opinion is that we should not attempt to hear any more.

(Submission of the Canadian Legion appears as appendix "F".)

The committee adjourned to meet Friday, December 7, at 4 o'clock p.m.

APPENDIX "A"

P.C. 7164

Order in Council extending benefits of the Pension Act to persons domiciled in Canada at the commencement of the war who served in the forces of nations allied with His Majesty, etc.

AT THE GOVERNMENT HOUSE AT OTTAWA

FRIDAY, the 30th day of November, 1945.

PRESENT:

His EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

Whereas provision has been made for extension of the benefits of the Pension Act, under certain conditions, with respect to all persons domiciled in Canada on the outbreak of the war with the German reich who subsequently have served during the said war in the forces of the United Kingdom of Great Britain and Northern Ireland;

And whereas no provision has been made for the extension of similar benefits with respect to persons domiciled in Canada on the outbreak of the said war who subsequently have served with the forces of any of the British Commonwealth of Nations, other than those of the Dominion of Canada and the United Kingdom of Great Britain and Northern Ireland, or in the forces of any of the nations allied with his Majesty during the said war;

And whereas the Minister of Veterans Affairs is of the opinion that such provision should be made;

Therefor, His Excellency the Governor General in Council, on the recommendation of the Minister of Veterans Affairs and under and by virtue of the War Measures Act, Chapter 206, Revised Statutes of Canada, is pleased, notwithstanding anything to the contrary contained in the Pension Act or in any other act or regulation, to make the following regulation and it is hereby made and established accordingly:

REGULATION

The benefits of the Pension Act, in so far only as the same or equivalent benefits are not provided under the laws or regulations of members of the British Commonwealth of Nations, other than the Dominion of Canada and the United Kingdom of Great Britain and Northern Ireland, or under the laws and regulations of the several countries allied with His Majesty, shall be conferred upon all persons domiciled in Canada at the date of the commencement of the war with the German reich, who subsequent to that date have served in the naval, military or air forces of any of the said members of the British Commonwealth of Nations, or in any of the aforesaid forces of any of the countries allied with His Majesty, and who, while so serving during the said war have suffered disability or death in respect of which a gratuity or pension has been awarded under the laws or regulations of any of the aforementioned countries and the widows, children and other dependents of such persons shall be entitled to the benefits of the said Act in so far as the same or equivalent benefits are not provided in respect of them under the laws or regulations of any of the aforementioned countries: provided that payments may be made under the provisions of this regulation only to such persons as are residents of Canada and during the continuance of their residence therein.

(Sgd.) A. D. P. HEENEY,
Clerk of the Privy Council.

APPENDIX "B"

P.C. 7224

AT THE GOVERNMENT HOUSE AT OTTAWA

TUESDAY, the 4th day of December, 1945.

PRESENT:

HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

Whereas subparagraph (1) of paragraph 8 of The Post-Discharge Re-Establishment Order (Order in Council P.C. 5210 of July 13th, 1944) reads as follows:—

- (1) In no case shall a grant hereunder be continued to a discharged person who fails in more than two classes or subjects in any academic year, or who, having failed in either one or two classes or subjects, also fails in either or both supplementary examinations next offered by the university in such classes or subjects.

And whereas the advisory committee on university training reports that veteran students are expressing concern about the rigidity of the hereinbefore recited subparagraph and that such committee by resolution on Tuesday November 13th, 1945, recommended "that the present legislation be amended to permit a student to carry one 'condition' for one year".

And whereas the Minister of Veterans Affairs reports that administrative officers of the Department of Veterans Affairs are of the opinion that the hereinbefore requested amendment should be made and be retroactive to July 1st, 1945;

Now, therefore, His Excellency the Governor General in Council, on the recommendation of the Minister of Veterans Affairs, and under and by virtue of the War Measures Act, is pleased to amend The Post-Discharge Re-Establishment Order and it is hereby amended by repealing subparagraph (1) of paragraph 8 thereof and substituting therefor the following:—

8. (1) In no case shall a grant hereunder be continued to a discharged person who, having failed in one or more classes or subjects in any academic year, fails in more than one of the supplementary examinations next offered by the university in any of such classes or subjects.

the above amendment to be retroactive in operation to and including the first day of July, 1945.

(Sgd.) A. D. P. HEENEY,
Clerk of the Privy Council.

APPENDIX "C"

RESEARCH AND STATISTICS BRANCH

DEPARTMENT OF LABOUR

PRELIMINARY REPORT ON EX-SERVICEMEN, FOR NOVEMBER 1945 AS REPORTED
BY 171 OF THE 213 NATIONAL EMPLOYMENT SERVICE OFFICES
AND ESTIMATE FOR ALL OFFICES

(SOURCE: UIC 7550B)

| Canada Totals | Ex-Servicemen | | | | Total males |
|---|---------------|--------|-------------|-----------------|----------------|
| | 1939 War | | 1914 War | Dual service | |
| | NA (1) | R (2) | | | |
| Applications during month..... | 34,152 | 19,335 | 6,698 | 1,052 | 61,237 |
| Placements during month..... | 22,361 | 10,420 | 2,174 | 442 | 35,397 |
| Unconfirmed referrals at end of month..... | 3,924 | 1,934 | 545 | 102 | 6,505 |
| Unreferred applicants at end of month..... | 19,391 | 10,464 | 5,839 | 890 | 36,584 |
| Total unplaced applicants at end of month..... | 23,315 | 12,398 | 6,384 | 992 | 43,089 |
| Unplaced applicants registered 15 days or more.... | 10,414 | 5,467 | 2,987 | 471 | 19,339 |
| Estimated total unplaced applicants at end of month for all offices..... | 24,490 | 13,023 | 6,706 | 1,042 | 45,261 |

(1) N.A. New Applicants—Not employed since discharge.

(2) R. Revivals —Employed previously since discharge.

APPENDIX "D"

Research and Statistics Branch
DEPARTMENT OF LABOUR, OTTAWA
December 4, 1945.

ADVANCE REPORT ON LABOUR DEMAND AND SUPPLY

(Source: Forms UIC 757 and 759)

| Date | Unfilled vacancies | Change in unfilled vacancies from Dec. 1, 1944 | Un-confirmed referrals | Un-referred applicants | Un-placed applicants |
|--|--------------------|--|------------------------|------------------------|----------------------|
| MALES—Total All Applications Except Skilled and Semi-skilled Loggers | | | | | |
| Dec. 1, 1944 | 78,380 | | 18,487 | 23,579 | 42,066 |
| Feb. 23, 1945 | 65,578 | | 16,883 | 39,319 | 56,202 |
| May 4, 1945 | 120,165 | | 19,964 | 26,587 | 46,551 |
| Nov. 2, 1945 | 60,806 | | 18,638 | 98,964 | 117,602 |
| Nov. 9, 1945 | 56,995 | | 18,275 | 103,736 | 122,011 |
| Nov. 16, 1945 | 50,227 | | 17,065 | 110,898 | 127,963 |
| Nov. 23, 1945 | 45,173 | | 15,106 | 119,835 | 134,941 |
| Nov. 30, 1945 | | | | | |
| CANADA | 39,984 | -38,396 | 13,951 | 124,045 | 137,996 |
| Maritimes | 3,350 | -4,552 | 1,010 | 9,253 | 10,263 |
| Quebec | 11,171 | -10,457 | 2,334 | 47,627 | 49,961 |
| Ontario | 14,559 | -17,282 | 6,452 | 36,656 | 43,108 |
| Prairies | 6,212 | -3,294 | 1,713 | 16,160 | 17,873 |
| Pacific | 4,692 | -2,811 | 2,442 | 14,349 | 16,791 |
| MALES—Loggers (Skilled and Semi-skilled only) | | | | | |
| Dec. 1, 1944 | 32,710 | | 1,787 | 105 | 1,892 |
| Feb. 23, 1945 | 16,586 | | 830 | 158 | 988 |
| May 4, 1945 | 13,084 | | 896 | 151 | 1,047 |
| Nov. 2, 1945 | 34,174 | | 2,503 | 218 | 2,721 |
| Nov. 9, 1945 | 34,592 | | 2,658 | 231 | 2,889 |
| Nov. 16, 1945 | 32,639 | | 2,570 | 288 | 2,858 |
| Nov. 23, 1945 | 27,921 | | 2,316 | 299 | 2,615 |
| Nov. 30, 1945 | | | | | |
| CANADA | 27,247 | -5,463 | 2,256 | 388 | 2,644 |
| Maritimes | 2,097 | -2,787 | 151 | 49 | 200 |
| Quebec | 17,583 | +5,867 | 204 | 93 | 297 |
| Ontario | 4,205 | -1,010 | 755 | 71 | 826 |
| Prairies | 2,959 | -7,247 | 949 | 62 | 1,011 |
| Pacific | 403 | -286 | 197 | 113 | 310 |
| FEMALES—Total All Occupations | | | | | |
| Dec. 1, 1944 | 42,272 | | 12,342 | 16,002 | 28,344 |
| Feb. 23, 1945 | 40,195 | | 11,779 | 21,956 | 33,735 |
| May 4, 1945 | 56,322 | | 11,391 | 16,282 | 27,673 |
| Nov. 2, 1945 | 31,857 | | 5,294 | 30,808 | 36,102 |
| Nov. 9, 1945 | 30,889 | | 5,388 | 32,425 | 37,813 |
| Nov. 16, 1945 | 29,894 | | 5,306 | 32,737 | 38,043 |
| Nov. 23, 1945 | 28,993 | | 4,599 | 33,272 | 37,871 |
| Nov. 30, 1945 | | | | | |
| CANADA | 26,600 | -15,672 | 4,282 | 33,579 | 37,861 |
| Maritimes | 2,308 | +49 | 251 | 1,941 | 2,192 |
| Quebec | 9,071 | -6,534 | 1,150 | 11,424 | 12,574 |
| Ontario | 10,637 | -7,527 | 1,548 | 11,850 | 13,398 |
| Prairies | 3,110 | -988 | 629 | 4,763 | 5,392 |
| Pacific | 1,474 | -672 | 704 | 3,601 | 4,305 |
| GRAND TOTALS— | | | | | |
| Dec. 1, 1944 | 153,362 | | 32,616 | 39,686 | 72,302 |
| Feb. 23, 1945 | (1) 122,359 | | 29,492 | 61,433 | 90,925 |
| May 4, 1945 | (2) 189,571 | | 32,251 | 43,020 | 75,271 |
| Nov. 2, 1945 | 126,837 | | 26,435 | 129,990 | 156,425 |
| Nov. 9, 1945 | 122,476 | | 26,321 | 136,392 | 162,713 |
| Nov. 16, 1945 | 112,760 | | 24,941 | 143,923 | 168,864 |
| Nov. 23, 1945 | 102,087 | | 22,021 | 153,406 | 175,427 |
| Nov. 30, 1945 | 93,831 | -59,531 | 20,489 | 158,012 | 178,501 |

(1) Seasonal low point in labour demand for year Sept. 1944 to Sept. 1945.

(2) Peak labour demand during past twelve months.

APPENDIX "D"—*Con.*

Research and Statistics Branch
DEPARTMENT OF LABOUR, OTTAWA
December 4, 1945

CHANGES IN LABOUR DEMAND AND SUPPLY FROM NOVEMBER 23 TO
NOVEMBER 30, 1945

(Source: Forms UIC 757 and 759)

| Region | Unfilled Vacancies | Uncon- firmed Referrals | Unreferred Applicants | Unplaced Applicants |
|---|-----------------------|-------------------------------|--------------------------|------------------------|
| Males—Total All Occupations Except Skilled and Semi-skilled Loggers | | | | |
| CANADA..... | — 5,189 | — 1,155 | +4,210 | +3,055 |
| Maritime..... | — 268 | — 144 | + 286 | + 142 |
| Quebec..... | — 2,159 | — 163 | + 667 | + 504 |
| Ontario..... | — 1,782 | — 247 | +1,396 | +1,149 |
| Prairie..... | — 750 | — 380 | + 696 | + 316 |
| Pacific..... | — 230 | — 221 | +1,165 | + 944 |
| Males—Loggers (Skilled and Semi-skilled only) | | | | |
| CANADA..... | — 674 | — 60 | + 89 | + 29 |
| Maritime..... | — 190 | — 22 | — 2 | — 24 |
| Quebec..... | — 1,073 | + 38 | + 53 | + 91 |
| Ontario..... | — 318 | — 58 | — 16 | — 74 |
| Prairie..... | — 1,172 | + 9 | + 15 | + 24 |
| Pacific..... | — 67 | — 27 | + 39 | + 12 |
| Females—Total All Occupations | | | | |
| CANADA..... | — 2,393 | — 317 | + 307 | — 10 |
| Maritime..... | — 178 | — 22 | + 61 | + 39 |
| Quebec..... | — 906 | — 76 | — 242 | — 318 |
| Ontario..... | — 676 | — 23 | + 263 | + 240 |
| Prairie..... | — 56 | — 106 | + 11 | — 95 |
| Pacific..... | — 577 | — 90 | + 214 | + 124 |
| TOTAL CHANGES | | | | |
| Oct. 26-Nov. 2..... | — 7,397 | — 452 | +7,875 | +7,423 |
| Nov. 2-Nov. 9..... | — 4,361 | — 114 | + 6,402 | +6,288 |
| Nov. 9-Nov. 16..... | — 9,716 | —1,380 | +7,531 | +6,151 |
| Nov. 16-Nov. 23..... | —10,673 | —2,920 | +9,483 | +6,563 |
| Nov. 23-Nov. 30..... | — 8,256 | —1,532 | +4,606 | +3,074 |

APPENDIX "E"

UNEMPLOYMENT INSURANCE COMMISSION

MONTHLY REPORT OF ACTIVE CLAIMANTS BY OCCUPATION AS AT OCTOBER 31, 1945

| Occupational Groups | | Moncton | | Montreal | | Toronto | | London | | North Bay | | Winnipeg | | Saskatoon | | Edmonton | | Vancouver | | Totals | |
|---|-------|---------|-------|----------|-------|---------|-------|--------|-------|-----------|-------|----------|-------|-----------|-------|----------|-------|-----------|--------|--------|--|
| | | M. | F. | M. | F. | M. | F. | M. | F. | M. | F. | M. | F. | M. | F. | M. | F. | M. | F. | Total | |
| Professional and managerial workers..... | | | | | | | | | | | | | | | | | | | | | |
| 29 | 6 | 412 | 124 | 432 | 77 | 75 | 111 | 5 | 4 | 128 | 25 | 38 | 9 | 30 | 7 | 243 | 32 | 1,392 | 395 | 1,787 | |
| 105 | 178 | 1,774 | 1,972 | 632 | 575 | 247 | 210 | 17 | 70 | 251 | 620 | 48 | 81 | 61 | 160 | 335 | 400 | 3,470 | 3,566 | 7,036 | |
| Sales workers..... | | | | | | | | | | | | | | | | | | | | | |
| 33 | 108 | 817 | 766 | 414 | 234 | 106 | 131 | 8 | 74 | 105 | 518 | 27 | 49 | 60 | 140 | 291 | 140 | 2,100 | 3,961 | 6,061 | |
| Service workers..... | | | | | | | | | | | | | | | | | | | | | |
| 142 | 65 | 1,092 | 753 | 524 | 194 | 219 | 130 | 28 | 31 | 252 | 172 | 105 | 32 | 186 | 53 | 518 | 139 | 3,006 | 1,569 | 4,575 | |
| Agricultural workers and fishermen..... | | | | | | | | | | | | | | | | | | | | | |
| 6 | 22 | 102 | 22 | 22 | 19 | 21 | 15 | 3 | 3 | 11 | ..... | 1 | ..... | 7 | ..... | 28 | ..... | 146 | ..... | 146 | |
| Food workers..... | | | | | | | | | | | | | | | | | | | | | |
| 6 | 23 | 102 | 515 | 29 | 139 | 17 | 190 | 3 | 4 | 8 | 46 | 6 | 6 | 2 | 10 | 2 | 28 | 178 | 945 | 1,123 | |
| Textile and clothing workers..... | | | | | | | | | | | | | | | | | | | | | |
| 3 | 7 | 118 | 515 | 29 | 139 | 17 | 190 | ..... | ..... | 7 | 46 | 6 | 6 | 2 | 10 | 2 | 28 | 178 | 945 | 1,123 | |
| Loggers..... | | | | | | | | | | | | | | | | | | | | | |
| ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 11 | ..... | 11 | |
| Sawmill and woodworking operators..... | | | | | | | | | | | | | | | | | | | | | |
| 10 | 53 | 53 | ..... | 35 | ..... | 44 | ..... | ..... | ..... | 14 | ..... | 1 | ..... | 4 | ..... | 43 | ..... | 204 | ..... | 204 | |
| Printing workers and paper makers..... | | | | | | | | | | | | | | | | | | | | | |
| 4 | 38 | 38 | ..... | 19 | ..... | 3 | ..... | ..... | ..... | 7 | ..... | 1 | ..... | 2 | ..... | 11 | ..... | 100 | ..... | 100 | |
| Shoe and leather workers..... | | | | | | | | | | | | | | | | | | | | | |
| 3 | 128 | 14 | ..... | 14 | ..... | 9 | ..... | 2 | ..... | 2 | ..... | ..... | ..... | ..... | ..... | 1 | ..... | 159 | ..... | 159 | |
| Stone, clay and glass workers..... | | | | | | | | | | | | | | | | | | | | | |
| ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 58 | ..... | 58 | |
| Electrical workers..... | | | | | | | | | | | | | | | | | | | | | |
| 75 | ..... | 552 | ..... | 78 | ..... | 27 | ..... | ..... | ..... | 38 | ..... | 6 | ..... | 8 | ..... | 120 | ..... | 868 | ..... | 868 | |
| Coal miners..... | | | | | | | | | | | | | | | | | | | | | |
| 12 | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 2 | ..... | ..... | ..... | 2 | ..... | 12 | ..... | 26 | ..... | 26 | |
| Other miners (except coal)..... | | | | | | | | | | | | | | | | | | | | | |
| ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 5 | ..... | ..... | ..... | 1 | ..... | 6 | ..... | 33 | ..... | 33 | |
| Construction workers (except carpenters)..... | | | | | | | | | | | | | | | | | | | | | |
| 90 | 639 | ..... | ..... | 105 | ..... | 77 | ..... | 6 | ..... | 55 | ..... | 7 | ..... | 8 | ..... | 232 | ..... | 1,219 | ..... | 1,219 | |
| 147 | 450 | ..... | ..... | 60 | ..... | 59 | ..... | ..... | ..... | 41 | ..... | 3 | ..... | 3 | ..... | 123 | ..... | 887 | ..... | 887 | |
| Machine shop workers and operators..... | | | | | | | | | | | | | | | | | | | | | |
| 227 | 2,131 | ..... | ..... | 916 | ..... | 317 | ..... | 11 | ..... | 131 | ..... | 43 | ..... | 88 | ..... | 507 | ..... | 4,371 | ..... | 4,371 | |
| Sheet metal workers..... | | | | | | | | | | | | | | | | | | | | | |
| 26 | 187 | 4 | ..... | 45 | ..... | 30 | ..... | 12 | ..... | 20 | ..... | ..... | ..... | ..... | ..... | 24 | ..... | 19 | ..... | 322 | |
| Foundry, smelter and other metal workers..... | | | | | | | | | | | | | | | | | | | | | |
| 221 | 67 | 1,712 | 203 | 447 | 388 | 310 | 674 | 6 | 8 | 100 | 27 | 32 | 11 | 9 | 5 | 451 | 26 | 3,288 | 1,839 | 4,677 | |
| Miscellaneous skilled workers..... | | | | | | | | | | | | | | | | | | | | | |
| 491 | 47 | 2,164 | 667 | 673 | 439 | 492 | 286 | 24 | 176 | 312 | 115 | 85 | 27 | 97 | 19 | 700 | 339 | 5,038 | 2,115 | 7,153 | |
| Auto and other mechanics..... | | | | | | | | | | | | | | | | | | | | | |
| 55 | 533 | ..... | ..... | 124 | ..... | 50 | ..... | 10 | ..... | 112 | ..... | 17 | ..... | 28 | ..... | 146 | ..... | 1,075 | ..... | 1,075 | |
| Miscellaneous unskilled workers—Heavy labour..... | | | | | | | | | | | | | | | | | | | | | |
| 264 | 3,723 | ..... | ..... | 376 | ..... | 930 | ..... | 90 | ..... | 107 | ..... | 30 | ..... | 36 | ..... | 407 | ..... | 5,963 | ..... | 5,963 | |
| Miscellaneous unskilled workers—Light labour..... | | | | | | | | | | | | | | | | | | | | | |
| 562 | 129 | 3,619 | 2,373 | 2,262 | 2,099 | 1,166 | 545 | 85 | 81 | 654 | 219 | 103 | 46 | 344 | 65 | 987 | 212 | 9,782 | 5,769 | 15,551 | |
| Totals..... | | | | | | | | | | | | | | | | | | | | | |
| 2,514 | 609 | 20,275 | 6,677 | 7,234 | 4,155 | 4,206 | 2,297 | 307 | 451 | 2,366 | 1,742 | 553 | 262 | 984 | 399 | 5,199 | 1,335 | 43,638 | 17,927 | 61,565 | |

*This figure includes 1,804 ex-service personnel who are ordinary claimants. Short-time and Casual Claimants are not included in the above figure. There are: 591 Short-time Claimants of whom 17 are ex-service personnel. 17 Casual Claimants of whom 1 is an ex-service man.

Compiled by E.M.C.

H. S. RELPH,
Chief Reviewing Officer.

SPECIAL COMMITTEE

REGIONAL SUMMARY ON ACTIVE CLAIMANTS BY AGE AS AT OCTOBER 31, 1945

| Districts | 19 and Less | | 20-29 | | 30-44 | | 45-54 | | 55-59 | | 60 up | | Totals | | |
|----------------|-------------|-------|-------|-------|--------|-------|-------|-------|-------|-----|-------|-----|--------|--------------|--------|
| | M. | F. | M. | F. | M. | F. | M. | F. | M. | F. | M. | F. | Males | Fe- males | Total |
| Moncton..... | 197 | 89 | 437 | 294 | 681 | 171 | 413 | 48 | 205 | 8 | 581 | 5 | 2,514 | 609 | 3,123 |
| Montreal..... | 1,698 | 817 | 5,507 | 3,616 | 6,341 | 1,706 | 3,031 | 441 | 1,340 | 62 | 2,298 | 35 | 20,275 | 6,677 | 26,952 |
| Toronto..... | 273 | 483 | 1,015 | 1,562 | 1,832 | 1,367 | 1,365 | 534 | 753 | 122 | 1,996 | 87 | 7,234 | 4,155 | 11,389 |
| London..... | 562 | 273 | 806 | 992 | 1,106 | 731 | 714 | 238 | 311 | 33 | 707 | 30 | 4,206 | 2,297 | 6,503 |
| North Bay..... | 39 | 59 | 41 | 204 | 64 | 158 | 41 | 19 | 30 | 5 | 92 | 6 | 307 | 451 | 758 |
| Winnipeg..... | 85 | 187 | 308 | 967 | 430 | 437 | 339 | 114 | 219 | 20 | 985 | 17 | 2,366 | 1,742 | 4,108 |
| Saskatoon..... | 16 | 31 | 66 | 135 | 95 | 77 | 83 | 14 | 50 | 3 | 213 | 2 | 553 | 262 | 815 |
| Edmonton..... | 11 | 46 | 83 | 191 | 182 | 106 | 170 | 40 | 120 | 4 | 418 | 12 | 984 | 399 | 1,383 |
| Vancouver..... | 70 | 67 | 511 | 602 | 1,134 | 502 | 884 | 124 | 665 | 24 | 1,935 | 16 | 5,199 | 1,335 | 6,534 |
| Total..... | 2,951 | 2,046 | 8,834 | 8,563 | 11,885 | 5,255 | 7,040 | 1,572 | 3,693 | 281 | 9,255 | 210 | 43,638 | 17,927 | 61,565 |

MONTHLY REGIONAL SUMMARY OF CLAIMS RECEIVED AND OF LIVE CLAIMS AS AT OCTOBER, 31, 1945

| Districts | Claims Received | | | Live Claims | | |
|----------------|-----------------|----------|---------|-------------|-------------|------------|
| | Aug./45 | Sept./45 | Oct./45 | Aug. 31/45 | Sept. 30/45 | Oct. 31/45 |
| Moncton..... | 1,438 | 1,840 | 1,754 | 2,054 | 2,664 | 3,123 |
| Montreal..... | 8,559 | 16,750 | 15,738 | 13,031 | 20,657 | 26,952 |
| Toronto..... | 2,746 | 6,889 | 7,548 | 3,736 | 8,024 | 11,389 |
| London..... | 1,837 | 5,561 | 3,555 | 2,383 | 6,132 | 6,503 |
| North Bay..... | 228 | 363 | 421 | 376 | 562 | 758 |
| Winnipeg..... | 1,944 | 2,605 | 2,158 | 2,588 | 3,717 | 4,108 |
| Saskatoon..... | 299 | 330 | 564 | 571 | 599 | 815 |
| Edmonton..... | 607 | 680 | 963 | 917 | 981 | 1,383 |
| Vancouver..... | 2,899 | 5,455 | 4,016 | 3,114 | 5,016 | 6,534 |
| Total..... | 20,557 | 40,473 | 36,717 | 28,770 | 48,352 | 61,565 |

APPENDIX "F"

THE CANADIAN LEGION OF THE BRITISH EMPIRE SERVICE
LEAGUE—THE CIVIL SERVICE PREFERENCE

This preference to overseas veterans was introduced into the Civil Service Act in 1918, simultaneously with the establishment of the principle of merit whereby appointments are made only after a competitive examination has been held and the candidates are listed in order of their relative standing. Briefly stated, the effect of the preference clause is to give priority on such an eligible list to any overseas veteran who qualifies by competitive examination over any other qualified applicant. This method of giving preference assures that only qualified veterans can be appointed and it does not appreciably affect the basic principle of merit.

The principles upon which the preference is based are contained in Section 29, Subsection 4, of the Civil Service Act, which reads as follows:—

In all examinations for entrance into the Civil Service the persons named on such special list who are found to possess the necessary qualifications shall be named, in the order of merit, on the list of successful candidates above all other candidates; and all other persons who have been on active service overseas in the military forces or who have served on the high seas in a seagoing ship of war in the naval forces of His Majesty, or of any of the allies of His Majesty, during the war, who have left such service with an honourable record or who have been honourably discharged, or when any persons who have served as afore-said have died owing to such service, the widows of such persons, and who in either case, obtain sufficient marks to pass such examination, shall, irrespective of the marks they have obtained, be named in the order of merit, on the list of successful candidates next after any candidates who are on the special list mentioned in subsection two of this section and above all other candidates.

The special list referred to is the list of qualifying disable veterans which assures them of being placed above all others. To secure the disability preference the veteran must be pensioned for a war disability, be unable to follow his pre-war occupation, and not have been successfully re-established in some other avocation.

The Civil Service statutory preference to veterans was not introduced solely as a measure of rehabilitation, although it naturally has helped to rehabilitate thousands of veterans of the last war and will now assist many veterans of this war. The preference was placed in the Civil Service Act primarily to assist in overcoming handicaps in examinations that might be suffered by those who had seen service in an actual theatre of war. It is always difficult to denote lines of limitation in any legislation, and in order to simplify administration it was decided that the determining factor of entitlement would be service overseas. There are several reasons why this limitation was placed upon the preference. Obviously, the man who for a long period leaves his homeland suffers a much greater handicap in rehabilitating himself than the man whose service has been in Canada only, notwithstanding the latter's earnest personal desire to fight the enemy. The man who returns from overseas after a year or more of service finds himself almost a stranger in his homeland. He has not been able to follow occupational trends or developments at home and finds himself at a decided disadvantage with the man who has been able to keep in continual touch with what is going on in Canada.

It is now being argued that the man with long service in Canada should also receive the preference, because it was not his fault that he could not serve overseas and that he had no choice but to do his duty as he was ordered. Everyone will recognize and sympathize with his point of view, but the fact remains that the man who left these shores to do battle with the enemy or to perform duties where enemy action endangered life or limb has suffered an incomparable experience which the people of Canada naturally desire to recognize in the Civil Service. The preference is one way of extending this recognition.

The preference was based upon the conditions that existed during the last war when no threat from the enemy endangered our shores and our shipping close to them. But in this war much hazardous service has been rendered by men based on our shores—service that can be regarded as comparable to “overseas” service. This ought to be the subject of investigation and a revision of the preference made to include such groups. It is obvious, however, that if the preference were extended to all who had volunteered to serve anywhere, regardless of the type of theatre of service, then there would be no offsetting the unquestioned handicaps of the man who has served overseas for long periods.

What the critics of the preference as it stands should bear in mind is that the overseas veteran must qualify in competitive examination, otherwise he is out altogether. This, of course, is true for all candidates, but the field of preference is always narrowed down to those who can qualify. However, experience indicates that a considerable number of the non-overseas qualifying candidates have later been absorbed or have declined a call because they have found satisfactory employment outside the Civil Service.

The figures set out hereunder establish the contention that a wide door remains open to those not entitled to the preference. They cover the period September 1, 1918, to December 31, 1940, showing the number of male appointments made with veteran percentages.

| | Total Male Appointments | Veteran Percentage |
|------------------------------------|----------------------------|-----------------------|
| Permanent and Seasonal | 41,218 | 40.21% |
| Temporary Appointments | 127,661 | 30.53% |
| Total Number of Appointments | 168,879 | 32.89% |

Since December 31, 1940, the number of male assignments—veteran and civilian—are given as follows:—

| | Veteran Percentage |
|--|-----------------------|
| Total Number of Assignments | 85,780 |
| Total Number of Civilian Assignments | 63,356 |
| Total Number of Veteran Assignments | 22,424 26.1% |

The heaviest influx of veterans into the Service would naturally be expected in the immediate post-war years. The figures below give the percentages of veteran male appointments from September 1, 1918, to December 31, 1929, approximately a ten year period:—

| | Permanent | Temporary | All Classes |
|-----------------|-----------|-----------|-------------|
| Sept. 1/18 to | | | |
| Dec 31/19 | 47.1 | 51.8 | 51.0 |
| 1920 | 59.6 | 52.6 | 49.4 |
| 1921 | 66.0 | 55.2 | 50.2 |

| | Permanent | Temporary | All Classes |
|------------|-----------|-----------|-------------|
| 1922 | 73.5 | 46.8 | 55.1 |
| 1923 | 75.3 | 48.25 | 57.85 |
| 1924 | 72.3 | 55.18 | 59.2 |
| 1925 | 61.3 | 48.0 | 47.7 |
| 1926 | 55.4 | 45.3 | 48.1 |
| 1927 | 54.8 | 34.29 | 41.0 |
| 1928 | 47.3 | 32.0 | 36.8 |
| 1929 | 42.1 | 25.6 | 32.0 |

From the foregoing it will be seen that at no time has the door been closed to those who were not entitled to the overseas preference. During several years the majority of the assignments have gone to non-veterans and in recent war years this number greatly increased. In the first ten months of 1945, however, a pronounced increase took place in veteran appointments when they reached 51.0% of the total. A further increase may be expected, but as the Commission resumes its normal peacetime procedure the balance will again be restored, and there is no reason to assume that the door will be closed to applicants without preference.

On the whole, this preference has worked out very well indeed during the past 27 years. It has not, as some people have claimed, overrun the Service with mediocre personnel; rather it has tended to raise the minimum standard of qualifications. Figures quoted above indicate that, notwithstanding the preference, civilians secure a high percentage of appointments. Not all veterans needed the preference to secure an appointment. Some were the highest qualified applicants anyway. No figures are available to establish the exact number of veterans who needed the preference to secure their appointments, but the fact remains that applicants not entitled to the preference have always secured a high percentage of permanent appointments and invariably a much higher percentage of any temporary work that has been available.

An additional preference was included in the Act in 1921 for the disabled veteran. Again, this preference was only given if the veteran had the minimum, or better, required standard of qualifications and was physically capable of carrying out the duties.

To sum up the reasons for establishing the overseas preference, they are briefly as follows:—

- (1) To recognize hazardous overseas service and the handicaps due to long absence from the country by assisting men to overcome their handicaps in entering competitive examinations.
- (2) To enable the nation's largest employer to do its share in rehabilitating those who have suffered most the rigours of war, setting an example to all other employers without departing from the merit principle.
- (3) To encourage such veterans to enter the Civil Service.

Proposals to extend the preference have been coupled with suggestions that there should be a change in the manner of applying it. One proposal is to introduce a system of bonusing; thus a veteran who served in Canada only might receive a bonus of 5 marks, a veteran who served overseas 10 marks and a disabled veteran 15 marks. This implies that each applicant would be given a numerical rating which could be bonused. If the present examination system utilizes numeral rating for a position, it certainly could be done, but it has one serious defect; it would qualify an otherwise unqualified applicant, destroy the merit system and lower the standard of the public service.

Few men with Canadian service only will wish to adopt a dog-in-the-manger attitude about this preference when they realize that it does *not* shut the door against them. The danger of trying to include every one in the preference is that it will become unworkable, and produce administrative chaos where a reasonably smooth procedure now exists.

OTTAWA, ONTARIO,

December, 1945.

Canada - Veterans' Affairs, Special
Committee 2, 1945

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SESSION 1945
HOUSE OF COMMONS

SPECIAL COMMITTEE
ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 32

Friday, December 7, 1945

WITNESSES:

Mr. W. S. Woods, Deputy Minister of Veterans Affairs;
Dr. A. MacNamara, Deputy Minister, and Mr. R. F. Thompson, Director
of Training, Department of Labour.

MINUTES OF PROCEEDINGS

FRIDAY, December 7, 1945.

The Special Committee on Veterans Affairs met at 4 o'clock p.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Baker, Bentley, Blanchette, Cockeram, Croll, Cruickshank, Emmerson, Gillis, Green, Harkness, Harris, (*Grey-Bruce*), Herridge, Lennard, McKay, Merritt, Mutch, Pearkes, Ross (*Souris*), Sinclair (*Vancouver North*), Tucker, Viau, Winters.

In attendance: Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Dr. A. MacNamara, Deputy Minister, and Mr. R. F. Thompson, Director of Training, Department of Labour.

The Chairman tabled a submission from the Civil Service Commission relating to veteran preference for employment in the Civil Service, which is printed as *Appendix "A"* to this day's Minutes of Evidence.

Mr. Woods made a statement on the lapse of time between the application for out-of-work benefit and payment thereof.

Mr. Thompson was called, heard and questioned.

Mr. Thompson filed the following statements, which are printed as appendices to this day's Minutes of Evidence:—

Veterans Enrolled in Each of these Occupations in Training Schools in Each Province, April 1, 1944, to October 31, 1945 (*Appendix "B"*); Pre-employment Rehabilitation Classes in C.V.T. Schools (*Appendix "C"*); Capacities of Rehabilitation Training Centres (*Appendix "D"*).

Questioning of Dr. MacNamara was resumed.

Mr. Thompson retired.

At 6 o'clock p.m. the Committee adjourned until Monday, December 10, at 4 o'clock p.m.

A. L. BURGESS
Clerk of the Committee

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

December 7, 1945.

The Special Committee on Veterans Affairs met this day at 4 o'clock p.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Before I call on Mr. Thompson, as you know yesterday we agreed to put in the record the submission of the Canadian Legion in regard to civil service preference. In view of the fact that it looks as though we are not going to have time to hear a submission from Mr. Bland on behalf of the Civil Service Commission I thought that he could give us some information which might be of use in regard to answering letters, and so on, between now and the next session. I asked him if he would make a short submission which we could put in the record the same as we did with the Canadian Legion submission. I have it here, and if it meets with the approval of the committee we will put it in as an appendix to our record of today.

Mr. GREEN: It is from Mr. Bland?

The CHAIRMAN: Yes, Mr. C. H. Bland, head of the Civil Service Commission.

Mr. GREEN: Was the Legion's submission put in yesterday?

The CHAIRMAN: Yes. Is that carried? (Carried)

Appendix "A".

We will go on with the submission of the Department of Labour, Dr. MacNamara is not here but I think he was through. I believe Mr. Thompson was the next one who was supposed to give evidence.

Mr. WOODS: Mr. Chairman, I ask the permission of the committee to make a brief statement. The statement was made by Mr. Gillis yesterday, and his statement was later alluded to by another member, that it took us approximately six weeks from the time that application was made for out of work benefits until the cheque reached the individual. I am quite sure Mr. Gillis would be the last one to want to be unfair in this matter. On the other hand, I am quite sure that statement does not apply to the general service the department is giving. I am not saying there have not been cases where it took six weeks, but to imply that six weeks is the average time certainly does not reflect the actual facts. Mr. Gillis was referring to the maritimes. I took the matter up with our district administrator down there. Mr. Gillis is here now. I am glad he is here while I am saying what I am. I just referred to Mr. Gillis' statement yesterday that it took us six weeks before we paid out of work benefits from the time the application was made. I had stated to the committee that I am quite sure Mr. Gillis would be the last man to be unfair in this matter. I further stated there may have been cases on record where it took six weeks but I will take the responsibility of saying that is certainly not the average time it takes. Following Mr. Gillis' statement I communicated with our district administrator in Halifax, and this is his statement. The matter of payment of out of work benefits has been gone into carefully by our district administrator, treasury officer and superintendent of rehabilitation, and every effort is being made to expedite payments in this regard. There is an approximate time lag of from three to five days from the time the application form for out of work benefits reaches the Halifax office until cheques are forwarded to the party concerned.

Three to five days is a fairly short period of time. I am even willing to concede it may be ten days before the man gets it, but I was bound to rise and raise exception to the impression that has been created that the average time in our service was six weeks.

MR. GILLIS: Mr. Woods, I am not going to enter into any argument with you. I keep pretty closely in touch with the Sydney office. You remember a few days ago I asked General Burns if it were possible to have cheques issued in that office in Sydney. I think his answer was that it was the only office in Canada where they did not issue cheques, and that arrangements were being made.

MR. WOODS: There are two others.

MR. GILLIS: Of course, I have not been there for the last couple of months and there may have been an improvement, but when I left there it was not unusual to have boys come in and tell me they had waited five and six weeks. I have written quite frequently to Mr. Fenton, in some cases I have wired, and in some cases wired directly to Ottawa, but if they have got it down to five days I am quite happy to hear it.

MR. WOODS: I would be glad if any member of this committee who encounters a case where it takes six weeks will draw it to my attention.

MR. SINCLAIR: What is the amount of that cheque which you send?

MR. WOODS: \$50 for a single man for a month.

MR. SINCLAIR: You pay by the month?

MR. WOODS: Bi-monthly.

MR. SINCLAIR: In other words, you send him a cheque every two weeks?

MR. WOODS: Yes.

MR. GREEN: You have some of the veterans getting unemployment insurance rather than out of work benefits?

MR. WOODS: That is right.

MR. GREEN: In the Vancouver *Sun* for Monday of this week the statement is made by one of the men standing in line there at the National Selective Service office that it takes three weeks of standing under all sorts of weather to get their first cheque after registering for unemployment insurance.

MR. WOODS: I would rather that the Department of Labour, which handles unemployment insurance, answer that one.

MR. GREEN: Of course, there would be some veterans drawing unemployment insurance. I realize that does not come under your department but I wonder if we could have a statement on that.

THE CHAIRMAN: We have somebody here who will deal with that, but I thought we would call as the next witness Mr. Thompson, Director of Training in the Department of Labour and then go right through the matter. We will be able to deal with the point you mentioned. Mr. Thompson has with him Brigadier J. E. Lyon who is Superintendent of Rehabilitation in the Department of Labour. We will now call on Mr. R. F. Thompson, Director of Training.

MR. SINCLAIR: As a Vancouver member I am also very interested in what Mr. Green has said because of the present agitation in the papers. We have some witnesses to-day who will tell us how long it takes them to get unemployment insurance?

THE CHAIRMAN: We can call him right after Mr. Thompson if you wish in regard to the administration of the Unemployment Insurance Act.

R. F. THOMPSON, Director of Training, Department of Labour, *called*.

THE WITNESS: Mr. Chairman, I thought it might be helpful if at the outset I gave the members of the committee a brief statement touching on the main points of our policy, method and procedure about vocational training for

ex-service personnel. At the end of that time I would be very glad to answer any questions from members of the committee on matters of detail on which they would like further information.

Mr. Chairman, I will have to ask the indulgence of the committee in one respect. I am fortunately or unfortunately, as the case may be, rather hard of hearing. It is a big advantage sometimes but there are occasions when it is a bit of a nuisance. Therefore, when you frame your questions I would ask your indulgence that I might hear them.

Vocational training of veterans is one of the activities carried on under Canadian vocational training which in turn is organized and directed by the Dominion Department of Labour. Some years ago we were asked by the Minister of Veterans Affairs if we would undertake to be responsible for the vocational training of men and women discharged from the forces. I assume the reason that request came to us was that we happened to have already in existence a training organization which had been started prior to the war as a youth training project, was changed around during the war to become war emergency training to train tradesmen for the forces and workers for industry, and now is being revamped again to provide for vocational training for men and women as they come out of the forces.

In 1942 Parliament passed our Vocational Training Co-ordination Act. Among its provisions was authority for the Dominion Department of Labour to carry on vocational training for those members discharged from the forces, and for any other person referred to us for training by the Department of Veterans Affairs. Our administrative organization to carry that on has been adapted to the previous organization. The training is done in co-operation with and through the provincial governments.

I should like to say at this point that we have had the most excellent co-operation in that regard from all provinces. The training is carried on under agreements with each province. In each province we have a regional director because we have tried to decentralize the administration. The regional director in some cases is a provincial official and in others he is appointed by this department. Under him there is an office, field and school staff to handle administration work, field supervision and the instructional work in our different centres.

The financing is handled and paid for entirely by the dominion government except in certain items of capital equipment which the provinces may wish to retain permanently after rehabilitation training is over. In that case they pay 50 per cent of the purchase price of such equipment. Apart from that the costs are borne by the Dominion Department of Labour and paid for out of the war appropriation as passed by parliament.

I will simply enumerate the types of training that we carry on because a fuller description of them is contained in a booklet, copies of which are left for distribution to the members of the committee. We have first our full-time pre-employment classes. We have part-time classes for men or women who may be employed and wish some supplementary instruction. We have correspondence courses. We have a system of indentured apprenticeship by which men or women who wish to enter a trade designated under any provincial apprenticeship act can enter that trade and complete their apprenticeship. Then we have also pre-matriculation classes. You may wonder why those are included in vocational training. They were started again at the request of the Department of Veterans Affairs about thirteen months ago to provide for men and women who either wished to enter a university or some occupation but did not have the necessary academic standing. These classes were started to provide the necessary instruction on an intensive basis in order to facilitate and speed up the entrance of these people into either a university or their chosen occupation.

Lastly we have a method which we call training on the job in industry. I think you will all appreciate there are thousands of occupations in Canadian industrial and commercial life for which no training can be given adequately in any occupational school. The only place that can be learned is on the job with the employer. We have an arrangement which makes that possible. We have a large and increasing field staff to draw up contracts and to supervise training when the men or women are placed in order to prevent exploitation and in order to insure that not only is the trainee receiving satisfactory training but that the employer is receiving satisfactory service. You will find the details setting out the administration of that in the booklet.

A word now on the type of facilities that we use to give this training. In the first place, we have opened a large number of special centres, some of which were purchased, rented or loaned and were used solely for the training of veterans. Then we use to a limited extent provincial or municipal schools. Wherever their standards are up to the required degree of efficiency, and where the trainee wishes to take his training in a private school rather than in one of our publicly owned schools, we utilize the facilities of private trade schools and business colleges in different parts of the country. At the present time in our pre-employment classes we have courses of training for some 60 different occupations. We are utilizing at present about 94 different training centres of which 54 are our own special Canadian Vocational Training Centres. The other 40 are provincial or municipal schools. That number 94 does not include the private, trade or commercial schools that we are using.

Now a word about buildings and equipment. Buildings have been a bit hard to come by. We have had to depend upon obtaining buildings that were surplus to the requirements of war industry or of one of the three branches of the armed forces. As those become surplus we try to obtain suitable buildings in strategic parts of the country and purchase them from War Assets Corporation. In other cases we have been able to rent accommodation. In a few cases, but not many, we have actually had it given to us.

Just a word now on the procedure by which trainees are admitted to these training centres. We have worked in the closest possible co-operation with the Department of Veterans Affairs. They have district offices established; so have we. In most cases, and wherever possible, our district supervisor of training is housed in the same building with the Department of Veterans Affairs; because we are anxious to avoid giving the veteran what is technically known as the "run-around" from one building to another. So wherever possible we have put our district offices in the same building where Veterans Affairs are.

The Department of Veterans Affairs are responsible for the prior counselling as to what would be the most desirable form of training for a particular man or woman to undertake. Our officials are ready to assist in any way in that counselling. Having decided,—and naturally with not only the consent but with the desire of the individual trainee—on a course of training, if our representative and the representative of the Department of Veterans Affairs agree, that trainee is approved for entrance. He is told then what school he will go to and is admitted to that school on a given date; and in nearly all cases our set-up is such that trainees can be admitted to these every week except for few special classes; for instance some of the pre-matriculation schools where we can only admit every two weeks, and in one or two cases, every month. But we try to have our admission dates at very frequent intervals so that there is no time lost between approval for training and the actual entrance upon it.

We have also made arrangements by which the Department of Veterans Affairs will be kept informed constantly when new training opportunities, either in schools or on the job, are available. We have also arranged for inter-provincial transfer of trainees from one province to the other. That

holds good for the more specialized types of training: for instance, watch making, watch repairing, radio and electronics where it is not considered advisable to set up a school in each province. So we have certain of these schools at selected areas and there is an arrangement, as I say, by which these trainees can be admitted to those schools, even though they reside in other provinces.

A word now as to the enrolment. Up to a few months ago there was a comparatively small percentage of those who had been discharged who had applied for vocational training. I think it was running about 3 per cent. But in the last 2 months there has been a most marked increase. As employment opportunities may decline outside, we can expect, I think, that there will be a corresponding increase in the applications of those wanting to enter vocational training. To give you an idea as to the extent of the enrolment up to October 31st, the cumulative enrolment was 23,570. At the end of September those actually under training totalled 7,490. At the end of October that number, those under training, had increased to 12,557. We have not got our November reports in yet, but I would estimate that by the end of November we will probably have 17,000 or 18,000 at least under all types of training.

The distribution of that enrolment at the end of October was as follows:

| | |
|---|-------|
| In pre-matriculation schools..... | 3,667 |
| Correspondence courses..... | 314 |
| Training on the job in industry..... | 2,470 |
| Training in schools, either private or publicly-controlled C.V.T. schools..... | 6,106 |

You will naturally want to know whether we have enough training capacity to meet the demand. As at November 30 our normal capacity in pre-matriculation schools at one time was 5,695. The maximum capacity, attainable in part by possibly a bit of crowding, possibly in other cases by putting on a second shift, would be 9,340. In commercial training, the normal figure, 2,465; the maximum, 4,330. For vocational or trade classes, the normal, 10,940; the maximum, 19,610.

I should just like to mention now a few of the points in our general policy, without going into detail on them. The first one is this. We try to give as thorough and as broad a training as possible to veterans. We do not want to have it too narrowly specialized and simply turn out a lot of machine operators. We had to do that in the war emergency. We do not place veterans in classes with young boys in the ordinary technical and vocational schools, except in special cases. We do not think that is desirable either for the veteran or for the youngsters attending the schools. We try to give training in daytime hours wherever possible. Strange as it may seem, in some cases we find the boys prefer to have their training in evening shifts. That gives them the day free to use as they see fit.

Another feature of our policy is this, that Canadian Vocational Training is not responsible for prior counselling. That is the responsibility of the Department of Veterans Affairs. Neither are we responsible for subsequent employment. That is through the national employment service. We do all we can to facilitate employment and to inform the employment service as to those who are coming out of our schools well in advance of their graduation dates, and what their particular qualifications are. In some trades, in the apprenticeship, the number that can enter that trade is regulated by the rules of the provincial apprenticeship board. There is a certain ratio established for apprentices to journeymen. If that ratio becomes saturated, the apprentice board may have to notify Veterans Affairs and ourselves that, for the time being, they cannot guarantee to absorb any additional apprentices in that line. Counsel to that effect would be given to the veteran. But we have set as our policy that if that

veteran insists on being trained as an electrician, we are going to train him as an electrician. I do not feel that we have the right, as a government agency, to deny training to any veteran who has qualified for it. All we can do, and all Veterans Affairs can do, is to give him the best advice we can as to the possibilities of being employed in the immediate future. But if, in spite of that counselling, he still insists on being trained in that trade, we have instructed our school principals and so on, to admit him to training.

We exercise, as I mentioned before, the closest supervision possible over those who are being placed for training on the job in industry. We have also, as a matter of policy in effect a preference for veterans, those with overseas service particularly, in all appointments, supervisory or instructional, that are made anywhere on our staff. Lastly, we have made arrangements that full trade credits shall be given to every veteran for any previous skill or knowledge in that trade which he acquired either prior to enlistment or during his period of service with the service.

Just in conclusion, Mr. Chairman, I should like to mention four or five of our special problems. We have a lot of small ones, but I will not burden you with them. We have some major ones, though, and the first one is this. We are in the unhappy position of not knowing how many we are going to be asked to train. Neither do we know what types of training those men and women will be wanting. At the other end of the picture we are in the equally unhappy position of not knowing what the future employment opportunities in different trades are going to be, say in 6 months' time. I have not found anybody yet who was willing to take on the role of prophet and tell us how many carpenters, how many machinists or how many electricians we should train. In the light of that, we have found that there is no scientific or no adequate basis—in fact no basis of any kind—on which we can allot our training facilities among the different occupations. We tried to work out something along that line about 9 months ago, but we have not got the data on which we could make any reasonable basis. So what we have had to do—and I think it is the soundest method after all—is that we have decentralized our administration. We go on the assumption—and I think it is a fair one—that the people, say, in British Columbia or in Nova Scotia have a much better idea than we have in Ottawa as to what types of training are needed in those provinces; so it is left to the discretion of our regional director to start any kind of class for which there are applicants and for which, in his opinion after consulting industry, there is some reasonable chance of employment at the end of the training. We make suggestions, of course, from time to time of things that might be desired, but the basis of alloting the different trades has got to be done in accordance with the local situation.

Now, another problem is this, there is a maldistribution of trainees. What I mean by that is this; we made a survey recently which covered 15,815 who had been skilled in different occupations in our pre-employment schools; of that number, 3,599 were in commercial classes; 5,329 were in pre-matriculation classes; 852 in radio, 831 in motor mechanics, 818 electricians. Now, on the other side of the picture there were six masons, 59 bricklayers, 71 painters, and nine plasterers. There is nothing, unfortunately, that we could do about that. You can counsel them and advise them. I am glad to say that in the last month or so following a fair amount of publicity there has been a great increase in the number of veterans going into the building construction trades.

Another of our major problems is this, the difficulty we have had in getting suitable buildings and suitable equipment when we need it, and the delays we have experienced in obtaining them.

Another problem in many of the districts is the securing of billeting accommodation, housing accommodation if you like to call it that, for those whom we are training.

Then, lastly, our difficulty in obtaining properly qualified teachers for pre-matriculation schools. We have been alright in our trade instructors, but we have been woefully short in the pre-matriculation schools.

But now, Mr. Chairman, that concludes the statement I have. If there are any questions I would be glad to answer them, subject to my being able to hear them.

By Mr. Gillis:

Q. There is one omission in this vocational training set-up. I would like to ask Mr. Thompson if the Department of Labour has any intention of resuming the vocational training scheme they had in the mining districts of Nova Scotia since 1942, of expanding that to include returned service personnel from this war—

Mr. SINCLAIR: And British Columbia—

Mr. GILLIS: And British Columbia. You can't hear me: you remember in the emergency, the fuel emergency, the order being issued establishing an apprenticeship training scheme in the mines by the Department of Labour? —A. I can best answer that by saying that we just had a conference about ten days ago with the provincial directors of apprenticeship, including Mr. Beaton from Nova Scotia. He told us they were taking steps to provide for the training of apprentices in coal mines, and it would be carried on under the provincial Act. As you know, we have an apprenticeship agreement with the different provinces and which our department pays fifty-fifty with the province in the cost of the instructor work given certain classes of apprentices. So I hope, Mr. Chairman, by another month or two these classes will be started on a proper basis under the provincial apprenticeship Acts.

By Mr. Gillis:

Q. In British Columbia where there is considerable unemployment among veterans now it is often said that there is a very great shortage of skilled workers in logging and lumbering companies as well as in the mines; is your department doing anything in conjunction with the logging companies to steer veterans into that industry and get them training at work?—A. Mr. Chairman, in the logging industry, apart from the actual saw mill operations and woodworking machinery, there is very little you can do in a school to train workers. The training there has to be done on the job. It is not a particularly attractive sort of job and we have not noticed any great rush of veterans applying for that type of training. And now, in the mines we have in co-operation with the provincial government in Ontario done something, we are using the Ontario, Haileybury, School of Mines. The enrolments incidentally there are about 85 per cent veterans at the present time. We are rehabilitating in co-operation with the province of Quebec the mine school at Belleville that we had with the province for use of training before the war. That will probably be running I anticipate inside of the next month or six weeks. We have found however that a large number of the mine operators prefer to train their men in the underground operations themselves. They will take from us millwrights and machinists and blacksmiths, but for miners they prefer to train their own personally. Does that answer your question?

Q. That is not the main question. I fully realize that they must be trained on the job; but it seems to me that if your department has some connection with the various logging companies and the mining companies whereby you could steer men to those jobs and encourage the men to believe that they are not undesirable jobs, which I do not think they are, you could help very much in this present situation, and you could go on further into other walks where there is at present a great shortage of skilled labour. For instance, we all hear so much about the great shortage of plumbing supplies, and I am

told that some of the primary producers of plumbing supplies are not working to full capacity because of the shortage of skilled men. Again, it would seem to me that if you had connection with the trade you could pass that on to the Department of Veterans Affairs and the men could be counselled to enter those fields where there is a shortage. I think there is a great deal in which you could do something there. I would like to hear whether anything like that has been thought of or not?—A. I think that is a very excellent suggestion, Mr. Chairman. As a matter of fact, we already have field representatives who are in touch—I do not say that we have been in touch with all the logging and lumbering companies yet, but we have field representatives working in the northern part of this province and Quebec, and it is their job to contact these companies and find out what training opportunities they have. We are a training organization, I want to make that clear; we are not a job-finding organization. We are interested only in those occupations which require some modicum of training. But we have our field staff who do that, that is their main responsibility. First we locate training opportunities, be it in the logging and lumbering industry or anywhere else; but, as I said a moment ago, we pass that information on to the Department of Veterans Affairs. And now, it is their responsibility to counsel the boys who come up for training, and if they can counsel them to take on a job in logging or lumbering, that is fine with us, we will see that they are placed for training; but that is as far as we can go, but so far we have had very few who have been referred to us.

Q. Have you any of these field representatives in British Columbia?—

A. Yes, in British Columbia; as a matter of fact at Nanaimo at the present time we have twenty veterans training in a class as power chain saw operators. We have altogether now about one hundred field representatives and their number is being increased constantly.

By Mr. Croll:

Q. Mr. Thompson, I realize what you say about being a training organization and not a placement organization, you turn the information over to the veterans department for placing—

Mr. Woods: No, with the Department of Labour, Mr. Thompson's own department.

Mr. CROLL: Yes, to selective service. And now, your figures on the number of people who are entering into the building trades, crafts, as we call them, you said are a problem, the figures indicated a problem—

Mr. SINCLAIR: You mean in the building trades.

Mr. CROLL: Yes, in the building trades, in the crafts particularly,—I think it is a tragedy rather than a problem. Has it occurred to the department that because the building crafts, young people particularly will be needed in them for some years to come, that you might say to a man, if you go into this particular training we shall find you a job, whereas you could not say that about some other training; and in that way induce them to go in where there is a great shortage and a good future for them?—A. Yes, Mr. Chairman. We have got to be very careful, and I think other people should too, about guaranteeing a man a job. I quite agree that the building and construction industry in our opinion and in the opinion of others represents one of the best fields for employment at the present time, but it has unfortunately disadvantages. It is highly seasonal, and at the present time particularly in the prairie provinces and to quite an extent elsewhere we have been finding it a little difficult to get men in as indentured apprentices for two reasons; first, the approach of winter; and, second, shortage of materials with which they could work. Those are both temporary. In the meantime what we are trying to do is to get the men to go into one of our schools where we will give them intensive training; it may be as a plumber, a tinsmith, a carpenter, an electrician

or what not, during the winter months; then in the spring when building and construction starts up they will be able to go out on a job with some reasonable degree of skill and be able to make some contribution to the construction industry.

Q. How long does it take for you to train a carpenter or a mason, how long do you think it can be done in?—A. That is a rather controversial question in some respects. The period of apprenticeship in these different trades is set under the several provincial Acts. It varies from three years to five years, according to the trade. And now, our view is that under proper instruction you can learn these trades—I do not say you can turn out a finished mechanic, but you can learn these trades in a much shorter time, by giving them a proper period of instruction in a school. The reason that the period of apprenticeship is so long is that the kind of work a man can get skilled at depends entirely upon the type of work the contractor with whom he is employed is doing. In other words, a man may work with a contractor for several years and never get an opportunity of doing certain jobs, but if you can put that man into a school as we are doing to fill up the gaps in his practical instruction, you can turn him out in much less time than that. We are trying through this system of trade credits for veterans. I think we have succeeded in shortening that period very substantially.

Q. But, getting back again, the remedy in the crafts is in your own department, the Department of Labour, is it not?—A. No, these matters are under provincial jurisdiction. In normal times our department has no constitutional jurisdiction over apprenticeship. Each province has its own Act.

Q. I know that only too well, but I am back again at the placing of the men, and that is in your own Department of Labour, not Veterans Affairs?—A. I am not answering for the placing of them; I am simply trying to deal with the training of them. But when you speak of the placing of them, you cannot take a man—at least I am not going to do it—and say you are going into that job; not now.

Q. No, but you say to that man that in a particular field there are jobs available for him and he will not be wanting for a job?—A. We are doing that; but if he still does not want to go what are you going to do now?

Q. Quote the unemployment figures to him; that will help.—A. The counselling, of course, is done by Veterans Affairs.

By Mr. Herridge:

Q. I agree with Mr. Croll. The small number who appear to be training as artisans is a tragedy. I am speaking from my own personal experience in small towns in the interior of southern British Columbia. Throughout recent years there has been a noticeable deficiency for training men for the construction industry—carpenters, bricklayers, plumbers and painters. Just before coming down here I was talking to the superintendent of inland waterway construction in the C.P.R. in the interior of British Columbia. They have a lot of river steamers and a lot of wooden tugs operating on rivers and lakes, and he was telling me that something would have to be done in the near future to get men who were capable of repairing and building these steamers; that the older men are being retired or dying off, and in that industry alone they had great difficulty in getting men to serve an apprenticeship to learn to become shipwrights in the construction of wooden ships and tugs and so on. I make this suggestion—I am speaking of a local condition of which I have knowledge—that the local people possibly have more influence on the local veterans returning to that area than anyone else, and I think if something was done to contact these rehabilitation committees and these organizations in the district that that situation could be pointed out and that larger numbers could be guided into taking training as artisans and so on.—A. Mr. Chairman, we are working very closely with a good many of the citizens'

rehabilitation committees. We have asked their assistance in making surveys in their local communities as to training opportunities which our field men will subsequently follow up. Now, I assume—in fact I know that in some cases the local committees are also giving personal counselling and advice to the men in their area, and I quite agree. I think it is an excellent thing and should be encouraged. However, it is a serious business to counsel somebody as to what he is going to spend the rest of his life at, and unless the counselling is done by someone who has a good knowledge of the facts and a knowledge of the situation and a knowledge of the individual the counselling in the long run may do more harm than good. It is not the sort of thing you may want to enter on lightly, because you could wreck a fellow's whole future prospects if you gave him a bad steer.

Mr. Mutch: It seems to me there are two things wrong with counselling men as it is carried on at the present time, one of them is that not yet has there been established a close enough contact between the jobs which are available and the men who are being counselled as to what they should do. I do not know what steps are being taken to make the in-service counsellors better informed than they are, because I do not think the local picture is quite enough. If they are counselling as to aptitudes and the men have aptitudes which can be developed in your schools, the problem of employment for them is something outside of that, and I question very much if anything can be done by your department, certainly, to do it.

But coming to the second point, concerning which I wish to speak: the disinclination of a great many veterans, particularly, to go into employment as artisans; I wonder if anyone who speaks of the need and the desirability of men going in there has considered the fact that in a very large part of Canada artisans are seasonal workers. On the prairies particularly—a sizable chunk of Canada—it is a matter of four or five or six months' work, and the construction industry itself realizes that something will have to be done to put artisans on a yearly basis; and until something like that does take place in those areas, at any rate, it is questionable whether one is performing any real service for the veteran when he counsels him to take up those particular trades although he may have an aptitude for them. That is one serious limitation if you are going to assume the responsibility—I do not mean your department—but if the dominion is going to assume the responsibility of providing employment, and we have.

Then it seems to me, coming back to my first point, that two things are important: one is that we shall be much better informed than we are as to what the possibilities of employment are, and the other thing is that we shall have to use some, perhaps considerable, weight of influence upon those people who are asking that a job be provided for them and which they say with considerable justification was promised to them, to take the type of work which is available. Do you think as the director of that work that there is no place for direction, at any rate, a firm direction, as to what men will do in terms of where they desire to locate. In principle I agree with you that you may say to them: "I do not think if you take such and such training you will ever get employment in this area, or for a considerable time." If he says, "I want it anyway," I grant you at the present moment I do not think you can coerce them by refusing training. But I should like to think that a very considerable amount of guidance or pressure or whatever you like to call it was given in terms of local possibilities. If you are going to do that, and I think you will eventually have to do it, then I am afraid, both in-service and out-service counsellors will have to be better informed as to the possibilities of work than they are at the present moment.

By Mr. Sinclair:

Q. As far as British Columbia is concerned, the construction industry is not a seasonal industry. I listened to what you had to say about the apprenticeship system taking from three to five years, but historically the system has been formed of training helpers' labour. I have been to the shipyards in north Vancouver, and carpenters told me that it is quite possible that under a good training department they could take a boy and in four to six months make him, not a carpenter, but a good helper. Now, what are you doing in British Columbia to provide that type of training, quite aside from the provincial apprenticeship system?—A. We have classes of that kind running now in British Columbia, I think, in all the building trades, where the men come in and they can get a course of four months or six months or longer, and then when they go out their credit is assessed. In some cases they may be accepted as journeymen; in other cases they may be accepted as third or fourth year apprentices.

Q. Can you give us figures of how many there are in British Columbia, for example? That is where the housing situation in Canada is the worst, I think. How many men in British Columbia at the present time are taking those courses in the building trades such as carpentering, plumbing, and electricians?—A. I think I have those figures here somewhere. You are particularly interested in the building trades?

Q. The building trades in British Columbia where construction is a year-round industry.—A. The cumulative enrolment in the building trades of British Columbia from April 1, 1944, to October 31, 1945: painters and decorators, none; plasterers, none; bricklayers, 2; masons, none; plumbers and steamfitters, 20; electricians, 74. I have missed out carpenters somewhere. Carpenters and cabinet makers, 102. Now, the small number in some of these trades is not due to the fact that we cannot take them in; it is due to the fact that nobody wants it.

By Mr. Croll:

Q. Mr. Thompson, there is growing in Ontario a new industry, the textile industry. I am told by textile people that they are in need of help in that industry and that there are good opportunities. Are you doing something about it?—A. We have running—it started to run, I think, last week at Toronto—a school carried on in co-operation with the trade, that is the employers and the unions. It will include tailoring, power sewing machine operating and pressing. We hope to have a similar school open in Hamilton in the same sort of training. With regard to primary textile weaving and spinning, those are among the occupations you cannot do much about in an ordinary school. There, if you have applicants, and there are not many who want to go into that particular industry, we put them for training on the job. The province of Quebec are developing textile institutes at Granby and Sherbrooke and elsewhere.

By Mr. Green:

Q. Mr. Thompson, are you still training civilians as well as veterans?—A. Our training of civilians has practically ceased. That is what we call the war emergency war workers—that has ceased. We have now with the provinces an agreement for the retraining and training of war workers released from industries. That agreement has been signed so far in British Columbia, Alberta, Saskatchewan and Nova Scotia, but we have not anybody yet training.

Q. You are planning to train workers released from war industries?—A. We are waiting now for the projects to be submitted from the people in British Columbia.

Q. It is a fact, is it not, that the dominion has only been in this training picture for a few years; it is a new development in Canada, is it not—that is that

the dominion should assume any responsibility for vocational training?—A. We have been in training for a bit longer than three years.

Q. It really started as a result of the depression?—A. That is right.

Q. Frankly, I think you deserve a great deal of credit for the job you have done. I think it has been very good. But in your opinion is there any way in which there could be some plan devised so that the young men who will be doing the work, who will be taking the training, can be properly advised as to where the jobs are most likely to be? You see, we have a Department of Reconstruction now and their job is to reconvert Canada to a peacetime basis, and I should think that they would have the primary responsibility for seeing what sort of jobs there are going to be in Canada. I gathered from the story that you are simply training men for the jobs they want and the Veterans Affairs Department are counselling them as to what particular jobs the applicants are best suited for; but is it not a fact that you are both, to quite a large degree, working in the dark?—A. I quite agree. That is what I said. There are so many unknown factors, so many X's and Y's. All we can do is use the best judgment of the local people, having consultations with industry and with the employment officers. We are in touch with them, and they know the employment opportunities in their own area. We go to them for guidance and suggestions just the same as we go to the employers and the unions. Then we act on those suggestions. Admittedly it is not scientific. If anybody can give us any suggestions as to how we can be more scientific in our approach in distributing our training facilities we are certainly in the market to get it because it is quite a serious problem.

Q. I have been very much impressed sitting here day after day looking at the huge map of Canada behind the chairman. I believe that is a very good explanation of why we have some of these difficulties. The country is so far flung, but is there not some way in which in co-operation with the Department of Reconstruction, the Department of Labour and the Department of Veterans Affairs can work out a plan so that you can go to these young men and tell them with a good degree of accuracy what sort of job they should be training for.—A. I think that is being done so far as we have got the information available. We are trying to get additional information. Mr. Woods or some of his officials would probably deal with this more properly but at Veterans Affairs I know they are getting out occupational sheets on different occupations as to the employment prospects so far as they have been able to judge them from all the information they can get and the requirements of that particular occupation. Those are passed around to their counsellors, and the counsellors are making the best possible use of them. We are all suffering more or less from growing pains. All of us have to take new people on our staffs who are not familiar with all the detail and procedure, and until they get acquainted and get their feet under them there is going to be quite a bit of creaking in the machinery. It is a long way from being perfect.

By Mr. Bentley:

Q. I understood you to say that apprenticeship in machine shops in local places was under provincial jurisdiction. Is that correct?—A. Only in so far as the designated trades are concerned. Each province designates certain trades that come under its Act.

Q. I believe that the Veterans Affairs Department have welfare officers at a number of the smaller points in the various provinces to give assistance to young veterans looking for places to work. Do you work with them? Do they try to find places at the various smaller centres? I was thinking of the little city from which I come. It is very small. I can count up to sixteen places there any one of whom could use from one to five young people to train them as apprentices in their particular type of business. There is a small tool manufacturer.

There are two good building contractors with good shops for training, both of whom have told me they are always looking for young men to train. There is a tanning place. There are sign painters, and things like that. Do you try to get these people to take somebody through the provincial offices?—A. If you have the names of employers in any places who are willing to take in veterans if they can get them I will see that one of our field men gets in touch with them.

Mr. PEARKES: This summer through Mr. Thompson's interest he was able to start a power saw school in Nanaimo. I am pleased to say I was able to help him in getting some accommodation. I should like to ask him whether his department runs schools to help veterans get started in the commercial fishing industry. That is an industry in British Columbia which employs in the neighborhood of some 18,000 men. It is an industry in which there is a great deal of individual initiative required. It is an industry which I think appeals particularly to ex-service men. However, a man going into that industry who knows nothing about commercial fishing is doomed to failure because fishing is not merely throwing a line into the sea and catching a fish. It has become a highly scientific profession.

I believe that there would be a good opportunity to start some of these veterans along the right lines in that industry if the Department of Labour could start a school for commercial fishing which would deal with such subjects as navigation, up to date methods of catching fish, the use of proper equipment—that includes not merely nets and lines but also sound detecting devices so that the shoals of fish may be located in the water—and correct methods of processing and marketing fish. I do not say that there are unlimited openings for veterans because quite obviously there are only a limited number of fish in the sea, but it is a business which I believe would appeal particularly to a good number of veterans, more especially veterans from the naval service.

There are opportunities on the coast of British Columbia for such instruction. We have a number of experimental stations, some of them run by the dominion government. I am thinking of one at Departure Bay just outside of Nanaimo. It might be possible to establish a school close to that experimental station. The experience of the instructors and the scientists at the station could be utilized. There is accommodation in the same place, no doubt, as that in which I helped to get the power saw school established for you. Can you tell me whether you have considered such schools?

The WITNESS: We would be only too delighted to start a school for commercial fishing on the Pacific coast and on the Atlantic coast if we can get the co-operation of the industry. If I remember correctly I think about the beginning of this year a suggestion was made to that effect. I asked our regional director in British Columbia at that time, and our director in Nova Scotia, to investigate the possibilities with the industry. They got in touch with some of the fishing people there, and we got the same sort of response we often get. It was a pretty negative response. However, we have done something. We have schools now where we can train them in marine engines, diesel engines or navigation. I shall certainly go back and ask them to look into the possibility of starting a school for commercial fishery on the coast. We are only too glad to get any suggestions to train veterans for anything in which they are going to be employed.

By Mr. Emmerson:

Q. Mr. Thompson, the building trade has been stressed as to what is being done in some of the other provinces. One of the difficulties in the eastern part of Canada, particularly in the maritime provinces, is the question of plasterers. That is a part of the building trade. The difficulty arises particularly in the small towns and villages. There is a great shortage of plasterers. In the distribu-

tion of schools is there any school in the maritime provinces where plasterers may get training? Is there any provision for sail makers, leather men, sheet metal men, coppersmiths? As far as the machine trades are concerned there is apprenticeship training down there in industry, but I am thinking about the various little trades which are required for the general service of the public in small towns. I am not thinking of the cities but of the small towns and villages where veterans who have homes or small properties can maintain a livelihood in that trade together with what they may get off their small properties or their homes.—A. As to plastering there is a class at Windsor, N.S. We have a normal capacity for ten plasterers. In plumbing, pipe-fitting and sheet metal work we have a class at North Sydney with a normal capacity of forty-five, another one at Windsor, N.S., with a normal capacity of twenty. As to carpentry. North Sydney, a capacity of twenty; Windsor, N.S., twenty. Bricklaying, North Sydney, twenty-five; cabinet making, Windsor, ten. I am simply giving you the classes in Nova Scotia.

Q. Have there been any set up in Prince Edward Island and New Brunswick?—A. For the same trades?

Q. Yes, or similar trades.—A. Cabinet making, Saint John, N.B., fifteen. We have no bricklaying set up as yet in New Brunswick because we have not anybody who wants to lay bricks. Carpentry, Charlottetown, P.E.I., twenty; Edmundston, N.B., thirty; Saint John, N.B., fifty. Plumbing, pipe-fitting and sheet metal, Charlottetown, twenty; Saint John, N.B., fifteen; Plasterers, nothing on the Island and nothing in New Brunswick.

Q. There is a school being set up in Moncton which is about to start. Can you give us any idea of the crafts which will be taken up there?—A. At Moncton...

Q. The paper announced that it will be starting the 1st of January.—A. The Moncton station was one we tried to get last winter. We just got it about two weeks ago. What we expect to have at Moncton will be accommodation for about 200 in vocational classes, about 100 in the commercial classes, and 100 in the pre-matriculation classes. The school as yet is just in the process of being started so I am sorry I cannot give you information as to what will be the vocational classes at Moncton, but it is the building and construction trades we are trying to stimulate.

By Mr. Merritt:

Q. I notice in the figures you have read out certain trades, particularly plastering and bricklaying, are not at all popular among your customers. Can you give us any explanation as to why that is so?—A. Apparently the only explanation I could give is that there are very few people like bricklaying, and if you have watched them laying brick in some kinds of weather I think probably the reason is apparent. Another difficulty, of course, is the highly seasonal nature of the work. In most places they can only get employment for about six months in the year, except in a favored climate. That means that the solution of that man's problem is to dovetail bricklaying with some other indoor industrial occupation. It is a difficulty peculiar to the plasterer and bricklayer in the building trades. The carpenter, tinsmith, electrician and painter as a rule can find related work in industry during the fall and winter months, but it is very unusual to find industrial employment in a factory in the winter for either bricklayers or plasterers unless they have some other second string to their bow. The wages are good.

The CHAIRMAN: In this table you have here I find that you have the people who enrolled from April 1st, 1944 to October 31st, 1945. Under painters and decorators there is nobody in Prince Edward Island, nobody in Nova Scotia, nobody in New Brunswick, nobody in Quebec, nobody in Saskatchewan, nobody in B.C. In Ontario there are 35 and in Manitoba 29. I find

it hard to explain why you would have 29 in Manitoba and none, for example, in Quebec or in B.C. Is it due to the set-up you had, or what is the explanation of that?

Mr. SINCLAIR: Good counselling.

The WITNESS: I myself find it hard to explain.

Mr. HERRIDGE: I know of dozens of men who want training in those trades.

The WITNESS: At some places we do not have facilities available for those occupations. In the building trades the set-up is such that you do not need elaborate equipment. It is the sort of thing where all you need is floor space, and we have been able and ready to start that kind of training anywhere in the country on a week's notice; but we just have not had the requests from Veterans Affairs that there were men wanting it.

Mr. CRUICKSHANK: Explain that.

Mr. WOODS: May I be permitted to say a word at this point?

The CHAIRMAN: Yes.

Mr. WOODS: Mr. Thompson has pointed out that my department is responsible for counselling, and quite properly so. He has further pointed out that with a lot of the employment opportunities, there are certain factors that are obscure, that it is impossible to determine just the precise number of jobs that there are going to be in each trade and occupation. I do however believe that no one will deny that we are going to have a building boom as soon as raw materials are available; and so far as my department is concerned. I want to assure you gentlemen, in the light of the information disclosed by Mr. Thompson to-day, that we shall urge in the strongest terms, that there are going to be, in our judgment, the widest opportunities for skilled craftsmen in the construction trades. We are prepared to go out on the limb to that extent. We know that there is going to be a demand for bricklayers, carpenters, plasterers, painters and all those connected with the construction industry; and I will certainly take steps to see that our counsellors bring that to the attention of the men who are uncertain about the occupation to which they should go, or men who show a tendency to go into occupations that appear to be crowded; that they urge upon them that there are going to be wide opportunities in this field, and to do whatever we can to stem this trend towards white-collar jobs. Apparently there is a background on the part of veterans for permanency in the position, for security. They drift towards commercial jobs and white-collar jobs. But nevertheless, although the bricklayer or carpenter may work 6 months in the year—and that is a problem of the bricklayer more than of the carpenter because they close so many jobs in now to work on during the winter—in spite of that, there are compensations in the high wages that are paid in these crafts and occupations. Canadian men have always been willing to go in for those trades, and this sudden stoppage is difficult for me to understand. But I assure the committee that I will take it up in the strongest terms with our counselling service, and we ourselves will be prepared to make the statement that there are going to be wide opportunities in those fields.

By Mr. Mutch:

Q. There is one question I should like to ask with respect to that. Are there any men in the building trades who are being given vocational training on the job? If so, how many? What is the percentage?—A. Yes, Mr. Chairman. The procedure we follow there is this. In the case of the building trades that are designated under the provincial Acts, when a man wants to be a carpenter, we will say, he is referred to the provincial apprentice authorities. If he is accepted by them, if he is a man without any previous experience, it is

not to his advantage to be indentured directly to an employer because the wage he would get as a first-year apprentice, would not be enough for him to live on. So what we do with that man is this. We put him into one of our C.V.T. schools for an intensive course, maybe 4 months or 6 months, so that when he goes out to the employer, he can go out with the rating of at least a third-year apprentice and command a wage which makes him self-supporting without any training grants having to be paid to him by Veterans Affairs. If on the other hand, when a man applies for training or for entry as a carpenter, he already has a considerable backlog of trade experience, either in the forces or prior to enlistment, he is referred to the apprentice authorities for testing in order to assess his particular skill; then if he rates as a third-year apprentice, he is indentured direct to an employer and put on the job. He can then be brought back into our school in the winter time when employment slackens off in the building industry. He can come back to us for 3 or 4 months for the winter and get from us supplementary instruction which he could not get on the job with the employer. But in a good many cases the men are indentured directly to the employer.

By the Chairman:

Q. This is up to the end of October. I gather, from the answer you gave to Mr. Emmerson, that you had figures subsequent to this. You referred to figures in regard to Nova Scotia and New Brunswick which are not covered by this. Have you anything more up-to-date than this?—A. I am sorry, Mr. Chairman, I have not. Our November reports are just coming in now, and I do not think we will have complete figures for November for possibly another week or ten days.

Q. The figures which were given were capacity, not actual enrolment.—

A. Yes. That was capacity, not enrolment.

The CHAIRMAN: This is the actual enrolment in the different provinces, in the different branches. This is 40 different industries, and is very interesting. I suggest it go on the record and that every member have a look at it because I am sure they will find it very interesting.

(Statement of enrolment—Appendix "A").

Mr. EMMERSON: That is the total of those enrolled?

The CHAIRMAN: Yes.

Mr. BENTLEY: Did Mr. Thompson say he could have a later one before this session of parliament was over?

The CHAIRMAN: I did not hear that, Mr. Bentley.

Mr. BENTLEY: I asked if Mr. Thompson said he could have a later set of figures before this parliament is over.

The CHAIRMAN: When will you have another table ready up-to-date, Mr. Thompson?

The WITNESS: In theory we are supposed to get these in from the provinces by the 10th of the month, but we find them getting later and later as the numbers increase. I think it might be another 10 to 12 days.

Mr. BENTLEY: If that did not come in too late, it might be put in as an appendix to the last report of the proceedings. Then we would have it more up-to-date.

Mr. CRUICKSHANK: We will still be here talking.

The CHAIRMAN: We will put this in for now. We were thinking of asking the committee for a recommendation to have printed an appendix to our proceedings embodying submissions or extracts from submissions that have not actually been put on the record but which we think it would be useful for the members to have; and if we get another one of these in in the meantime,

we could always put it in that appendix. I think the members would find it useful in talking to their constituents.

There is another list here of pre-employment rehabilitation classes in C.V.T. schools, a complete list of where these classes are being held. I think that the members, judging from some of the questions asked, would find this very interesting too.

Mr. SINCLAIR: I move it go on the record.

The CHAIRMAN: With your permission, we will put it on the record.

(List of pre-employment rehabilitation classes—Appendix "C").

The WITNESS: That is our capacity.

The CHAIRMAN: This is a list of the capacities in the different provinces.

The WITNESS: That is enrolment in the different schools.

The CHAIRMAN: We have a table on that. Here are the capacities in regard to the different provinces. I fancy too that the members will be interested in this, so that they could come back prepared next session to find out whether any improvements have been made where they should be made. I think probably we should put this on the record too.

Mr. BENTLEY: Are we going away anywhere, so that we can come back?

The CHAIRMAN: I hope so.

(Capacities of rehabilitation training centres—Appendix "D").

By Mr. Green:

Q. Mr. Thompson, what amount can a veteran who is taking training on the job earn, without affecting his training allowance or without having his training allowance reduced?—A. \$40 a month. I think that is correct, is it not, Mr. Woods?

Mr. Woods: \$40 a month.

The WITNESS: He can earn that without affecting his training grant.

Mr. GREEN: In some cases, men can earn \$75 a month. Where is the dividing line? Why is it that some can earn \$75 and some can earn only \$40?

Mr. Woods: The \$40 a month refers to the wage while training on the job from his employer. The \$75 a month refers to earnings. It was introduced for university trainees, to encourage them to earn between terms and at evening work during university. But if we increased this \$40 a month to \$75 on the job, it would only mean relieving the employer. We find that \$40 a month plus what the employee earns is adequate. We have not any difficulty with it. If you increased it to \$75, you would be merely relieving the employer from what he would ordinarily pay the individual.

By Mr. Green:

Q. Is there any sort of liaison between the Department of Labour, the Department of Veterans Affairs and the Department of Reconstruction?—

A. There is supposed to be—and I think there is, Mr. Green—the closest possible liaison at all levels—headquarters, regional and local. Did you have it in mind in connection with the training of veterans?

Q. No. I am referring to the 3 departments. I presume, and I certainly hope, that there is the closest liaison between Labour and Veterans Affairs. But how about the Department of Reconstruction? What liaison is there between Labour and Veterans Affairs on the one side and Reconstruction on the other? Because as I said a few minutes ago, Reconstruction are responsible for planning the whole reconversion in Canada.—A. As far as our own connection is concerned, there are 2 or 3 of our projects that have gone through the Reconstruction Department. They are not particularly concerned with veterans. I am thinking of an agreement we just sent out to the provinces a couple of

weeks ago about assistance to vocational schools. There is one of those that is a reconstruction project. That is the appropriation of \$10,000,000 of dominion money to be spent before March 31st, 1948, for buildings and capital equipment for vocational schools on the secondary school level. That amount has to be matched by the provincial governments. That is a reconstruction project. It is the only one that we have.

Q. That is a plan for vocational schools amounting to \$20,000,000?—A. Yes. It is a double-barrelled thing. It is designed to assist vocational education, vocational training, and is also designed to provide some measure of employment in the immediate post-war period in the building and construction industry.

Q. When is that supposed to start?—A. The agreement went out 2 weeks ago. It is retroactive to April 1, 1945. The trouble with buildings is that you cannot get material now.

Q. What I really meant was this. Is there any co-ordinating committee between the Department of Reconstruction and the Department of Veterans Affairs?

The CHAIRMAN: I think Dr. MacNamara would be the best one to answer that. Did you hear the question, Dr. MacNamara, and can you answer it?

DR. ARTHUR MACNAMARA: Yes, Mr. Chairman. If Mr. Thompson does not mind, I should like to say two or three things in connection with this training plan. I should not like you to think that there is no co-relation between Veterans Affairs and the Labour Department, the employment service and the training group. As a matter of fact, we have an inter-departmental committee under the joint chairmanship of Mr. Woods and myself, and we meet and discuss these matters. Out of that committee have developed some very good things. For example, these counsellors, the in-service counsellors and the veterans affairs counsellors, are given periodical reports showing the employment situation all across the country. I think the reports come to them, if I am not mistaken, twice a month. That gives them the best knowledge we have of the type of men who are wanted, where they are wanted, and puts them in a position to counsel these chaps as to what they should go into. It is a fact that we are growing, that our plans are in the process of being developed. Up to quite recently we were well ahead of the prospective training group, men were not coming to us for training purposes. It looked rather ridiculous to set up training facilities; certainly the provinces looked on it that way; and we ourselves did, until the men were here for training. They are here now and we are developing just as quickly as we can get buildings to develop in and teachers to work under. Then, again, I would like you not to be unaware of the fact that we have developed them on the job training theory, which is that we give a measure of instruction to a man while he is actually working through the co-operation of the employers. I think about two or three months ago we sent out to 125,000 employers in Canada an explanation of the on-the-job training plan and urged their consideration of it and told them of the details of it and asked them to let us know if they were interested. Those who responded, and we got quite a good response, we are covering with these field men of whom Mr. Thompson has spoken, and in addition men from the employment service.

The whole question of the men not being willing to go into the building and construction trades, and there are other trades where they show a definite reluctance to go into—I would instance iron moulders—and coupled with that is the fact that we are terribly short of soil pipe for house building. There again we are trying to interest the employer on the one hand to taking more men in for training to do moulding work; and his reply is, we cannot get the men; and we reply that we will try and get them for that trade. We say to

them, you are turning out less soil pipe than is needed so why not put on three shifts instead of one, we can get you the men. They say, that is true, but you cannot get us moulders. We say, that may be true, but we will get the men and help you train them. I think that is one of the things to which we have to give special attention and develop, to bring the employers around to that point of view. But, as I say, it is in the process of being done. It is true that men do not want to go into plastering, they do not want to go into bricklaying; to a lesser degree they do not want to go into carpentry. There is a tendency, as Mr. Woods has said, to get sheltered jobs and twelve-months-of-the-year employment, and also a tendency to want clean jobs. You have no difficulty in advising a man to take training for electrical work, which is rather clean and comparatively lighter work, but when you start to talk to them about plastering—that is a dirty, filthy job—I don't want it. That is what we are facing. We are quite aware of this problem. We are doing everything we can with these fellows to see what we can do with them. We wish to avoid compulsion, and it must be done, I submit, on the basis of counselling.

Mr. MERRITT: Might I interrupt there a moment; do you not think that the wage ceiling has had an effect on their desire to go into these "dirty" jobs?

Dr. MACNAMARA: The wages of a bricklayer at the present time are probably higher than any other trade in the construction trades. Plastering rates are high too. It is not the wages, it is the type of work coupled with the fact that they know it is seasonal. We have had evidences submitted to us that a bricklayer in Toronto prior to the war even though the rate was \$1.05 an hour was making less than \$600 a year. As to the truth of those figures, I do not know; but that seasonal work has a big bearing on it.

Mr. GREEN: I asked about the relationship between labour and veterans affairs, and reconstruction; could you tell us anything about that?

Dr. MACNAMARA: We have on this inter-departmental committee a representative of the reconstruction department working in close touch with them all the time.

Mr HARRIS: I had intended to say a few words a while ago. Apparently what the doctor had in mind—and I am rapidly coming to the conclusion that I am going to be a minority of one in this group—because I disagree with a great deal that has been said this afternoon for this reason; if there is one thing that the soldier was told about in the army it was this—now, I regret more than anything else his lack of education. We have heard figures this afternoon which indicate something like 8,000 out of this group of 15,000 odd are taking up education, they want a better education than they had before. I do not want any veteran to think that I concur with any suggestion to take educational opportunities away from them. That is one point. Another point we have heard here this afternoon is the emphasis which has been placed on developing people to the immediate short time view, that we need these trades right away. Let us say we do, at the same time it is a seasonal occupation, and there have been times when the building trades were not good at all over long periods of time. I suggest that the work the vocational training people are doing, that what they are being asked to do this afternoon is something which is a little bit beyond their power; and I might even go so far as to question its desirability; because when a large percentage of applicants come to us and say, I want to take a stenographer's course, or I want to take an office manager's course, or I want to take up my pre-matriculation and go back to university; surely not a single member of this committee is going to say; no, you have to go somewhere else. As I see it, too great emphasis this afternoon has been placed on trying to divert these people from the type of training they personally

desire to a type of training for which there seems to be an immediate demand or requirement. We had a lot of figures given to us showing 800 in this group and 800 in another group and so many in certain other groups, but comparatively few in types involving manual work. I know, and every member of the committee knows, that large numbers of the veterans being discharged now are the manual type of worker; always were and always will remain so. But in the building trades anybody who has had any experience at all has come right out on discharge and gone to work, even if he could only drive a nail or saw a board. It is because employment opportunities have been so generally available that the rate of registration has been small. You could be quite sure that he was not going to register to become a skilled carpenter when he could step right out and get a good day's pay with the skill he had. I do feel that we want to pay more attention to education, that we want more white-collar jobs. That is not popular, perhaps, but it is a fact; that this country can use them, particularly if we are going to expand, and we would rather have our veterans going into that group than in the other group, particularly if they have or can acquire the attainments necessary for work of that kind. I think our whole system should be devised so as to give them a chance for the better jobs rather than placing so much emphasis on forcing them into these manual type of jobs.

MR. MUTCH: Is it not possible, as we have just heard, that it is about time we came to realize in this country that our whole labour situation is out of balance? I do not know whether Dr. MacNamara will agree or not, but the evidence of the last two days seems to me to point out that what we are doing in this country—I have said this before—has resulted in a scarcity of the so-called unskilled labourer, people to do the work of the primary industries of this country. It seems to me perfectly apparent that to-day we have a shortage in the field of unskilled labour; labour for the farm, for the camp, for the heavy industry; and we have a shortage at the top, the skilled worker. I agree with what Dr. MacNamara said about the manufacturing outlook across Canada, and as someone has said, if we could develop new industries to the extent of five or six thousand across Canada it would mean an additional livelihood for large numbers of people and also increase opportunity for benefit for our railroads and general distribution services—I am wondering if the Department of Labour has about come to the conclusion, which I certainly have come to myself, that it is time we started training people for employment opportunities which are now apparent, to meet the demand for increased employment; and there is going to be all kinds of employment, as has been said here. Speaking generally, our people have the highest standard of education that is to be found generally in the semi-skilled and unskilled market anywhere in the world. We had a pretty fair standard of education before the war, and there has been a lot of propaganda carried on amongst service personnel during the war to raise the standard of education. We have been urging men, fortunately or unfortunately, to improve their lot in life. That leads me to wonder whether the wage scale itself is not out of proportion to what it is in the so-called white-collar jobs. There is a degree of scarcity which a generation of people in this country have not known too much about, except in the services; and I would like to know whether the Department of Labour feels that our labour situation is out of balance, and if we should not perhaps push up hill, or perhaps more aptly, push down hill in order to accommodate people to jobs.

DR. MACNAMARA: Mr. Chairman, I am a believer of this, that by and large we have paid too little for the difficult, hard jobs in Canada. I would say that that applies in coal mining, the rates in coal mining have gone up during the war—I think, speaking from memory, about 45 per cent. I think that is a move that had long been delayed, and we are suffering for our sins

in not paying the hard, tough jobs enough money. That is being overcome. I grant you—

Mr. Mutch: On that point, do you think we could get the type of men we are concerned about to do the work if we did pay them?

Dr. MacNamara: I rather think we can.

The Chairman: Following out the point developed by Mr. Mutch, that if you are going to get people to do that kind of unpleasant work you will have to pay them an attractive wage; what I am wondering about is whether by our system of control over wages we have possibly prevented this whole thing from readjusting itself?

Dr. MacNamara: That is true, as far as it stands; on the other hand, control over wages in certain lines has had the opposite effect, it has had the effect by direction of increasing these wages; and in the instance I gave with respect to the coal mines, the wages were raised by direction of the wages board.

The Chairman: And if you don't get enough carpenters, or bricklayers and so on, to build the houses absolutely necessary, wages would have to go up under our system until you did attract enough into that industry?

Dr. MacNamara: I believe that is true.

The Chairman: And if at the same time you try to keep wage controls on you are going to strangle reconstruction and recovery, it seems to me.

Dr. MacNamara: I will go along with you in that argument in some trades. I would not go along with you on that argument with the organized trades such as the carpentering industry. I think as far as the working conditions of carpenters are concerned there is one thing required to make it an attractive trade and that is something in the nature of a continuous employment. That is the weakness there.

The Chairman: If you do not get continuous employment you must ask more pay when you are employing them; is not that correct?

Dr. MacNamara: True, although I am not sure that you should judge the carpentering trade by our experiences during the depression years. There may be other developments that would have a tendency to lengthen out the season.

Mr. Merritt: Is there not an opportunity in this vocational training and in the counselling service that we now have on such a large scale possibly to take up the slack in that seasonal occupation by teaching a man who has a seasonal job some other job which takes up the rest of his year?

Dr. MacNamara: Yes, that is so, a complementary trade.

Mr. Merritt: Yes.

Dr. MacNamara: I think in Mr. Thompson's work and the work of counselling we have one of the best opportunities of bringing the employment picture in Canada into a very much better thing to look at.

Mr. Green: There is one question I would like to ask Dr. MacNamara. I asked this question of Mr. Woods at the beginning of this sitting. It was reported in the Vancouver *Sun* of Monday of this week that it takes three weeks for a man to get his unemployment insurance after his registration. Now is that the normal delay, or is there something else?

Dr. MacNamara: I think it is probably due to a rush of applicants to a greater extent than we have been able to deal with efficiently and quickly, but I think it is simply a temporary condition which—I think it has probably been overcome. I know Mr. Barclay, who is here, has just returned from Vancouver and found the situation as I stated it there, and he has taken steps to remedy it.

Mr. Green: How long should it take?

Mr. BARCLAY: Two weeks. At the end of two weeks a man is entitled to three days' benefits.

Mr. GREEN: The people report it takes three weeks standing under all sorts of weather to get their first cheque after registering for unemployment insurance.

The CHAIRMAN: On that point, is there much more, Doctor, that you feel your department should cover in order to give this committee a picture of what you are doing for the veteran?

Dr. MACNAMARA: I know your difficulty in regard to time, Mr. Chairman, and we do not want to take up any more time than you want to give us. We are at your service. I am inclined to think that the field may have been fairly covered. We have not discussed in detail the employment service, and our officials are here; nor have you discussed in detail the establishment in civil life of men who have a job to go back to. They are interesting phases of our work that your committee would be glad to hear about.

The CHAIRMAN: Then there is the question of the administration of unemployment insurance which you covered in a general way. Is there much that should be added in regard to that?

Dr. MACNAMARA: I think there is a good deal.

The CHAIRMAN: I wonder if the committee would be willing to spend one more sitting on this subject on Monday and try to cover this phase of the subject that Dr. MacNamara has mentioned? It looks as though we are going to have to sit until Saturday anyway, and if we take another day on this matter we would still have two days for drafting our report.

Mr. GREEN: It is very interesting and helpful.

The CHAIRMAN: I think so. If we are going to do that we could hear these officials on Monday next at 4 o'clock. Before we adjourn I wish to thank Mr. Thompson and, again, Dr. MacNamara for their helpful evidence.

The committee adjourned to meet on Monday, December 10, at 4 o'clock p.m.

APPENDIX "A"

VETERAN PREFERENCE

FOR EMPLOYMENT IN THE CIVIL SERVICE

Veterans of the Second Great War have the same preference for employment in the Public Service as those of the First Great War, the only difference being the fact that they must have been residents of Canada at the time they became members of the Armed Forces.

In other words, residents of Canada who have served with the naval, military and air forces of His Majesty and any of His Majesty's Allies on active service overseas, or on the high seas in a sea-going ship of war, are entitled, if they apply for employment in the Civil Service and succeed in passing the necessary examinations, to preference for employment therein above all others who have passed the same examinations. Among such veterans a further preference is given to those who have been disabled while in the Armed Forces to such an extent that they are unable to resume their pre-war avocation and have not otherwise been satisfactorily re-established. This disability preference includes persons disabled in Canada. The preference to the widows of persons who have died as the result of service in the Forces is also continued.

While this application of the preference has been generally accepted both by the Armed Forces and by the people of Canada, a number of suggestions have been made as to modifications or extensions of the present policy.

One such suggestion has been that the preference should be extended to all persons who volunteered for service in the Armed Forces, irrespective of the field of service. This suggestion, together with a number of others, has been given careful consideration by the Advisory Committee on Rehabilitation and Re-establishment and by the Cabinet Committee on Demobilization and Re-establishment. It has been generally felt that the primary desire of Parliament and of the country was to express some measure of appreciation and gratitude to those men and women who actually risked their lives in time of war in the defence of their country, and with this background in mind it was felt that an extension of the preference, which would have the effect of reducing the number of positions available for such "risk" and "combat" veterans, would not be desirable.

It was similarly felt that a secondary preference to members of the Forces who had served only in Canada would encounter difficulties in securing public support, on account of the fact that it would virtually exclude from employment in the Public Service a large number of other workers who through no fault of their own had not been in the Armed Forces, including munition workers, persons frozen in industry, and the general body of citizens who because of age or physical unfitness were unable to enlist in the Armed Forces. Even with the present restricted preference, these classes will have little opportunity of securing Government employment on any large scale for some time.

The general conclusion on the matter has accordingly been that an extension of the preference to include all persons who had served in the Forces would not be justified.

Another suggestion was that as the policy did not cover even all the "risk" veterans, it should at least be extended to provide for veterans in those zones of such service which arose during this war and which did not exist at the time of the Great War. A good example of these are service on coastal patrol in the R.C.A.F., service in the Aleutians in the Army, and the service of naval ratings

as gun crews on merchant vessels. It was felt that changes in this direction were justified, and in accordance with the recommendation of the Advisory Committee the Minister of Veterans Affairs announced some days ago that steps would be taken to improve conditions in this regard.

The preference has effected the employment of a large number of veterans in the Public Service. The stream of applicants was naturally smaller in the earlier years of the war, but has increased materially in 1945 and will probably reach a maximum in 1946. The number of veteran assignments in the war years is as follows:—

| | |
|-------------------------|-------|
| 1939 | 1,833 |
| 1940 | 2,504 |
| 1941 | 2,804 |
| 1942 | 3,701 |
| 1943 | 4,119 |
| 1944 | 4,039 |
| 1945 (to Nov. 30) | 9,200 |

As an example of the increased volume of veteran applications and veteran appointments, the number of veteran appointments in November last was 1,489, which is 80 per cent of all male appointments, the remaining civilian males being appointed only to positions in which veterans were not interested, or for which qualified veterans could not be found.

It should be noted that the preference is applicable only to veterans who can succeed in passing Civil Service examinations, or who in other words are found competent to discharge adequately the duties of the positions for which they apply. The pass mark in Civil Service examinations is 70 per cent, and no veteran is assigned to a post by the Civil Service Commission unless it is satisfied that he can satisfactorily perform the duties. In fairness to veterans, however, who have been engaged in other pursuits for the last five years, it is recognized that reasonable periods of training must be provided in many instances both before and after entering the Public Service, and full recognition is also given to the experience which the veteran has obtained while in the Armed Forces.

While the veterans preference is being comprehensively and effectively applied in making appointments to vacant positions in the Civil Service, there is one phase of the employment situation in which the veteran is vitally interested to which reference should be made. During the absence of the veteran during the war, positions in the Service were filled on a temporary basis, on the understanding that with the return of the veteran consideration would be given to his employment in such positions. The veteran is now returning in large numbers and is available and qualified for Government employment. He feels that for such positions as have been filled during the war by temporary employees he should now be considered, and the Commission is accordingly working actively with the departments concerned to absorb qualified veterans in positions now occupied by persons who were engaged on a purely temporary basis.

Another point to which reference should be made is the difference between re-establishment procedure in industry and Government. Under the Reinstatement in Civil Employment Act persons who joined the Armed Forces are given a general guarantee of re-employment in their former or similar positions. In the Civil Service this guarantee is limited to persons who enlisted with the consent of their departments and who were serving before the war or if appointed subsequently, in positions not arising out of war activities. In other words, a person who had to resign in order to enlist does not get the guarantee of re-employment in the Civil Service which he enjoys in industry. It does not seem desirable that this differentiation should continue.

Generally speaking, it seems probable that the veterans preference, with the amendments referred to above, applied fairly and effectively, will be accepted by veterans, the departments of Government, and the general public as a reasonable expression of gratitude to the men and women who have risked their lives for us. It will serve as a valuable means of assisting the general rehabilitation policy and at the same time will secure for the Public Service a large number of the best qualified veterans, who will bring to it not only technical proficiency to perform the tasks to which they are assigned but also the intangible but nevertheless valuable benefits of the growth in capacity and character which they have gained from their experience in the war.

APPENDIX "C"

PRE-EMPLOYMENT REHABILITATION CLASSES IN C.V.T. SCHOOLS

- Air Conditioning—Calgary, Vancouver.
- Agriculture (Veterans' Land Act)—Red Deer.
- Agriculture (General & Specialized)—Olds, St. Hyacinthe, Charlottetown, Saskatoon, Edmonton.
- Barbers—Vancouver, Halifax, Toronto, Hamilton, Moose Jaw.
- Bricklayers—Winnipeg, Rimouski, Toronto, Hamilton, Windsor, Nova Scotia, Prince Albert, Calgary, Vancouver.
- Blacksmiths—Vancouver, Calgary, Winnipeg, Toronto, Halifax, St. John, Lauzon, Montreal, Saskatoon, Hamilton.
- Carpenters—Vancouver, Calgary, Grande Prairie, Medicine Hat, Edmonton, Moose Jaw, Prince Albert, Regina, Brandon, Winnipeg, Lauzon, Rimouski, Montreal, Three Rivers, Edmundston, St. John, Charlottetown, Toronto, Hamilton, Sydney, Windsor, N.S., Thetford Mines, Sorel, Sherbrooke, Port Alfred, New Carlisle, Grand'Mere, Chicoutimi, Cabano, Shawinigan Falls, Hull, Quebec.
- Commercial—Vancouver, Calgary, Edmonton, Saskatoon, Regina, Winnipeg, Montreal, Toronto, London, Kitchener, Windsor, Galt, Hamilton, Ottawa, Sydney, Fredericton, St. Johns.
- Cabinet Makers—Vancouver, Calgary, Moose Jaw, Regina, Winnipeg, Montreal, Three Rivers, Toronto, Windsor, N.S. Quebec.
- Commercial Art—St. John, Toronto, Montreal, Calgary.
- Diesels—Hamilton, Vancouver, Halifax, Calgary, Red Deer.
- Dressmaking—Vancouver, Regina, London, Quebec, Saskatoon, Calgary.
- Drafting—Saskatoon, Winnipeg, Montreal, Halifax, Toronto, London, Hamilton, Ottawa, Kirkland Lake, Rimouski, Shawinigan Falls, Calgary, Victoria, Vancouver, Hull.
- Electricians Construction—Vancouver, Edmonton, Moose Jaw, Winnipeg, Lauzon, Rimouski, Quebec, Montreal, Three Rivers, Halifax, St. Johns, Toronto, Hamilton, Kirkland Lake, Sydney, Chicoutimi, Windsor, Ont.
- Electricians Industrial—Edmonton, Winnipeg, Vancouver, Rimouski, Toronto, Hamilton, Calgary.
- Farm Mechanics—Red Deer, Moose Jaw, Brandon, St. Johns, Charlottetown, St. Anne de Bellevue, Saskatoon, Grande Prairie.
- Fine Arts—Montreal, Toronto, Calgary, London, St. John, Quebec.
- Handicrafts—St. Anne de Bellevue, Sackville.
- Home Making—Quebec, Upton.
- Hotels and Restaurants—Toronto.
- Hair Dressing—Vancouver, St. John, Toronto, Ottawa.
- Industrial Chemistry—Toronto, Montreal.
- Interior Decorating—Montreal.
- Jewelry Repair—St. John.
- Lithography—Montreal, Toronto.
- Machine Shop*—Vancouver, Victoria, New Westminster, Port Alfred, New Carlisle, Calgary, Edmonton, Moose Jaw, Regina, Grand'Mere, Cabano, Brandon, Winnipeg, Three Rivers, Montreal, Chicoutimi, Rimouski, Halifax, Moncton, Toronto, London, Hamilton, Lauzon, Shawinigan Falls, Hull, Ottawa, Thetford Mines, Sorel, Sherbrooke, Quebec, Windsor, Ont.

Motor Mechanics—Regina, Vancouver, Victoria, Calgary, Edmonton, Saskatoon, Moose Jaw, Prince Albert, St. John, Toronto, Winnipeg, Brandon, Rimouski, Three Rivers, Hamilton, Sydney, Moncton, Montreal, Quebec, Halifax, Edmundston, Hull, Windsor, N.S., Windsor, Ont.

Merchandising—Regina, Saskatoon, Vancouver.

Mining—Haileybury, Val d'Or.

Marine Engines—Rimouski, Halifax.

Moulders—Montreal, Quebec, Three Rivers, Halifax.

Navigation—Vancouver, Rimouski.

Pre-Matriculation—Vancouver, Calgary, Edmonton, Saskatoon, Moose Jaw, Regina, Winnipeg, Montreal, Quebec, Halifax, St. John, Charlottetown, Toronto, Hamilton, London, Windsor, Kingston, North Bay, Fort William, Kitchener.

Power Sewing Machine—Vancouver, Toronto.

Power Chain Saw—Nanaimo.

Projectionists—Calgary.

Painters and Decorators—Calgary, Winnipeg, Toronto, Sydney, Windsor, N.S., Vancouver, Windsor, Ont., Hamilton.

Pattern Makers—Edmonton, Halifax, Quebec, Montreal, Medicine Hat.

Paper Making—Three Rivers, Shawinigan Falls.

Plasterers—Winnipeg, Toronto, Windsor, N.S., Calgary, Vancouver.

Plumbers and Pipe Fitting—Vancouver, Edmonton, Winnipeg, Montreal, Windsor, Ont., Three Rivers, Toronto, Hamilton, Charlottetown, Sydney, Windsor, N.S., Lauzon.

Printing—Montreal, Toronto.

Refrigeration—Three Rivers.

Radio: Wireless Operators—Calgary, Moose Jaw, Montreal, St. John, Toronto.

Radio Servicing—Vancouver, Moose Jaw, Winnipeg, Lauzon, Montreal, St. John, Toronto, Rimouski, Quebec, Calgary.

Shoe Repairs—Regina, St. Boniface, St. John.

Steam Engineers—Calgary.

Stationary Engineers—Toronto, Hamilton, Windsor, Ont.

Telegraphy—Regina.

Textiles—Granby, Sherbrooke.

Upholstering and Furniture repair—St. Boniface.

Wood Working Machinists—Edmonton, Winnipeg, Vancouver, Toronto, Quebec, Montreal.

Welders—Vancouver, Victoria, Medicine Hat, Calgary, Edmonton, Moose Jaw, Saskatoon, Winnipeg, Lauzon, Montreal, Quebec, St. John, Halifax, Toronto, London, Hamilton, Three Rivers, Windsor, Ont.

Watch and Instrument Repair—Vancouver, Halifax, Toronto, St. John.

APPENDIX "D" CAPACITIES OF REHABILITATION TRAINING CENTRES

| Location | Normal Capacity | | Maximum Estimated Capacity | | Remarks |
|--|-----------------|------------|----------------------------|------------|---|
| | Technical | Commercial | Technical | Commercial | |
| P.E.I. | | | | | |
| Charlottetown..... | 100 | Note (a) | 130 | ..... | (a) Given in private schools at Charlottetown and Summerside. |
| NEW BRUNSWICK | | | | | |
| Edmundston, Centre No. 1..... | 60 | ..... | 120 | ..... | (b) Buildings turned over to C.V.T. on 15th November, 1945. |
| West St. John, Centre No. 2..... | 50 | ..... | 120 | ..... |  |
| Millidgeville, Centre No. 3..... | 150 | ..... | 300 | ..... |  |
| Moncton (Note (b))..... | 175 | 100 | 400 | 300 | |
| Total for N.B..... | 435 | 100 | 940 | 300 | |
| NOVA SCOTIA | | | | | |
| Halifax: | | | | | (c) This number depends upon approval of N.S.H.Q. to increase. |
| Dalhousie University..... | 12 | ..... | 20 | ..... | (d) An additional 300 trainees could be handled here if living accommodation is provided in barrack huts. |
| N.S. Tech. College..... | 186 | ..... | 235 | ..... | (e) Figures based on living accommodation in Windsor. If barrack accommodation provided, an additional 500 trainees could be handled. |
| Veteran's Barber Trd. School..... | 10 | ..... | 20 | ..... |  |
| M.I.E. Stadacona..... | 100 | ..... | 170 | ..... |  |
| North Sydney: | | | | | |
| Rehab. Trg. Centre (Note (d))..... | 170 | 30 | 215 | 40 | |
| Windsor: | | | | | |
| Rehab. Trg. Centre Acadia Barracks (Note (e))..... | 110 | 20 | 125 | 40 | |
| Total for N.S..... | 588 | 50 | 785 | 80 | |
| QUEBEC | | | | | |
| Montreal..... | 1,370 | ..... | 3,290 | ..... | (f) Over 400 in addition are attending private commercial and trade schools. |
| Quebec and Lauzon..... | 465 | 580 | 830 | 700 | Buildings are being turned over at Quebec on 15th November which will accommodate many hundreds. |
| Three Rivers and Shawinigan Falls..... | 405 | ..... | 680 | ..... | Efforts are being made to obtain suitable buildings at Three Rivers for additional accommodation. |
| Other schools in Province..... | 1,095 | ..... | 1,450 | ..... |  |
| Total for Quebec (f)..... | 3,335 | 580 | 6,250 | 700 | |

| Location | Normal Capacity | | Maximum Estimated Capacity | | Remarks |
|---------------------------------------|-----------------|------------|----------------------------|------------|---|
| | Technical | Commercial | Technical | Commercial | |
| ONTARIO | | | | | |
| Toronto T. & R.I. | 900 | 250 | 1,800 | 500 | (g) Capacities represent what can be reached early in 1946. |
| Windsor T. & R.I. (g) | 300 | 150 | 600 | 300 | |
| Hamilton T. & R.I. (h) | 1,500 | 150 | 3,000 | 300 | |
| London CNR Bldg. | 120 | 200 | 250 | 250 | (h) Capacities represent what can be reached by Spring of 1946. |
| Ft. William T. & R.I. (k)) | 300 | 100 | 600 | 200 | |
| Kingston—Business College. .... | ..... | 100 | ..... | 200 | |
| Ottawa—Commerce. | | 50 | | 100 | (k) Expected to be in operation by end of year. |
| Kitchener (About 1 Jan.) | 200 | 150 | 400 | 300 | |
| North Bay—Normal. .... | ..... | ..... | ..... | ..... |  |
| Total for Ontario. | 3,200 | 970 | 6,400 | 1,950 | *Estimates only, as classes not yet in operation. |
| Brockville (including Prescott) | | | | | |
| | 400 | 200 | 800 | 200 | 75 |
| MANITOBA | | | | | |
| M.T.I.—Winnipeg (l) | 400 | | 900 | | (l) Space now available for an additional 100 technical and 200 pre-matriculation. Being made ready. |
| C.V.T.—The Mall Centre. .... | ..... | 250 | ..... | 300 | |
| C.V.T.—Stevenson Airport. | 500 | ..... | 500 | (m) 300 | |
| St. Boniface C.V.T. Centre. | 30 | | 60 | | (m) Maximum not yet estimated as operation just commencing. |
| Brandon C.V.T. Centre. | 45 | ..... | 90 | ..... |  |
| Total for Manitoba. | 975 | 250 | 1,550 | 300 | 575 |
| SASKATCHEWAN | | | | | |
| Regina C.V.T. Schools. | 135 | 100 | *350 | 200 | *If hangar available after 1 Dec. **After 1st Jan., 1946. ***Considerable increase if military camp obtained. |
| Saskatoon C.V.T. Schools. | 180 | 80 | **250 | 100 | |
| Moose Jaw C.V.T. School. | 215 | ..... | 300 | 50 | |
| Prince Albert C.V.T. School. | 75 | ..... | ***125 | ..... |  |
| Total for Sask. | 605 | 180 | 1,025 | 350 | 850 |
| ALBERTA | | | | | |
| Calgary Airport. | 300 | | 480 | | (n) Ready 10th January, 1946. |
| No. 2 Wireless School. .... | ..... | 90 | ..... | 150 | |
| Institution of Technology. | 90 | ..... | 140 | 400 | |
| Coste House (n) | 40 | ..... | 40 | ..... |  |
| Edmonton Drill Hall. | 210 | ..... | 330 | ..... |  |
| Technical School. | 145 | 125 | 250 | 200 | |
| Medicine Hat. | 105 | ..... | 165 | 350 | |
| Red Deer. | 270 | ..... | 400 | 200 | |
| Grande Prairie. | 190 | ..... | 300 | ..... |  |
| Total for Alberta. | 1,350 | 215 | 2,065 | 350 |  | 950 |

| | 307 25 20 | 120 | 385 | 417 (o) 30 20 | 300 | 600 | (o) Used by apprentices at night. (p) Additional schools for 180—technical 40—commercial 120—pre-matriculation have been ap- proved but are not yet in operation. |
|--------------------------|-----------------|-------|-------|---------------------|-------|-------|--|
| | | | | | | | |
| BRITISH COLUMBIA | | | | | | | |
| Vancouver (various)..... | | | | | | | |
| Victoria..... | | | | | | | |
| Nanaimo..... | | | | | | | |
| Total for B.C. (p)..... | 352 | 120 | 385 | 467 | 300 | 600 | |
| GRAND TOTAL..... | 10,940 | 2,465 | 5,695 | 19,612 | 4,330 | 9,340 | |

OTTAWA, ONTARIO
15th November, 1945.

Canada. Veterans Affairs, Special Committee on, 1945

SESSION 1945

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 33

Monday, December 10, 1945

WITNESSES:

Mr. W. S. Woods, Deputy Minister of Veterans Affairs;

Dr. A. MacNamara, Deputy Minister of Labour;

Messrs. S. H. McLaren, Acting Chief Executive Officer, National Employment Service, G. M. Morrison, Supervisor, Veterans Placement, H. C. Hudson, Supervisor, Special Placements, and T. R. Walsh, Legal Adviser, all of the Unemployment Insurance Commission;

Mr. E. Dunlop, Supervisor, Casualty Rehabilitation Section, Department of Veterans Affairs

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1945

MINUTES OF PROCEEDINGS

MONDAY, December 10, 1945.

The Special Committee on Veterans Affairs met at 4 o'clock p.m. the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs, Adamson, Baker, Benidickson, Bentley, Brooks, Bruce, Croll, Emmerson, Gauthier (*Portneuf*), Gibson (*Hamilton West*) Gillis, Green, Harris (*Grey-Bruce*), Herridge, Jutras, Lennard, McKay, Merritt, Moore, Mutch, Probe, Ross (*Souris*), Sinclair (*Vancouver North*), Tremblay, Tucker, Viau, Winters, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Dr. A. MacNamara, Deputy Minister of Labour; Messrs. S. H. McLaren, Acting Chief Executive Officer, National Employment Service, G. M. Morrison, Supervisor, Veterans Placement, H. C. Hudson, Supervisor, Special Placements, and T. R. Walsh, Legal Adviser, all of the Unemployment Insurance Commission; Mr. E. Dunlop, Supervisor, Casualty Rehabilitation Section, Department of Veterans' Affairs.

Mr. McLaren was called, heard, questioned and retired.

Mr. Morrison was called, heard and questioned.

Mr. Morrison filed a summary of statistical material relating to ex-service personnel, which is printed as *Appendix "A"* to this day's minutes of evidence.

Mr. Morrison retired.

Messrs. Baker, Hudson and Walsh were called, heard, questioned and retired.

Mr. Woods and Dr. MacNamara retired.

At 6 o'clock p.m. the Committee adjourned until Tuesday, December 10, at 4 o'clock p.m.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

December 10, 1945.

The Special Committee on Veterans Affairs met this day at 4 p.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: We will finish our submission from the Department of Labour. Did you wish to say anything, Dr. MacNamara?

Dr. MACNAMARA: No. I would suggest calling Mr. McLaren.

The CHAIRMAN: And he will deal with what?

Dr. MACNAMARA: The veterans affairs section and the employment of veterans.

The CHAIRMAN: Then we will next call upon Mr. McLaren who will deal with the employment of veterans in the Department of Labour.

S. H. McLAREN, Acting Chief Executive Officer, National Employment Service, *called*:

The WITNESS: Mr. Chairman and gentlemen, we have the various heads of the National Employment Service here this afternoon, and we hope to be able to supply any information that you desire to have. It gives us a great deal of pleasure to be here.

I should like the opportunity, if I may, of just going over in a brief fashion the National Employment Service activities; then, if it is convenient to you, some of the heads of the branches might give you more detail concerning their particular activities.

The main functions of the National Employment Service are as follows. They keep continuous files on job opportunities and act as a clearing house on employment from coast to coast. Secondly, they have machinery to offer each worker any job for which he is qualified, no matter where it is; for each employer the choice of the most qualified candidate throughout the country. They are also charged with the development of improved techniques of recruiting, selecting and placing workers. We aid small employers in this respect. We have provision for counselling service to enable each worker to find the right job. We assist handicapped workers to find jobs; that is, those who are physically handicapped, youth, and people who are aged. And finally, it is our duty to do everything possible to get the returned veteran a job.

It was mentioned earlier that we were doing advertising. We actually advertise in 54 daily newspapers and our advertising bill at present runs to \$30,000 a month. We think that the coverage is quite good in that respect. That is the advertisement which tells workers of job opportunities. That is the heading of our particular advertisement. In addition to that, we send out a weekly news letter to employers throughout Canada who have 10 or more employees. There are about 21,000 of those, and this letter goes out each week; and it goes out to the employers as being addressed from the local office in their particular area. It has the name of the manager of our local office on it; and on the reverse side of this news letter we list the applicants who are on file in the local office and who are looking for work, giving the nature of their particular occupations. This, as I said, goes out to about 21,000 employers throughout Canada every week.

We also conduct radio broadcasts, a considerable number of them, giving general information. We have some imaginary interviews with people and we endeavour to get the idea across there of what we are doing without cost to either employer or employee. We do stress the fact that we do not create jobs; we do our utmost to find jobs. The employer, of course, is the ultimate judge as to whether an applicant we send to him is acceptable to his needs or not.

In addition to that, we have in each of our offices, what we call an employer relations section. There are throughout Canada to-day about 300 of our employees who are engaged in this work. They, to a certain extent, handle individual classifications to industry. That is, we attempt to make them, as much as possible, specialists so that they will talk the language of the employer. As Dr. MacNamara remarked on Thursday or Friday, we are supplementing that group of workers by utilizing all our auditors. We are taking them off the audit work; that is, they were engaged in visiting employers to make sure that contributions under the Unemployment Insurance Fund were being paid regularly, and we are suspending them temporarily from that duty to supplement the employer relations work. We felt that these men had in many cases already visited the employer. The door was to a certain extent open to their visit, and they in some cases would be able to establish an easier contact, through their knowledge of the employer, than would be possible by bringing new employees in. They are also on our payroll and in the civil service to get a person on the payroll is quite a task. These people were on the job, and we thought we could use them; so that we should have within the next few weeks not 300 who are now engaged but actually approximately 600 people going around to employers soliciting jobs, so to speak, pointing out to them that here we have a certain class of workers looking for work, veterans amongst them, telling as much as we can of the aptitude of these people and their skills, suggesting to them, "Here is a particularly good class of man; if you have not something available now, can you keep him in mind for future developments?" or "What are the possibilities of your putting an additional shift on in your business?" thereby absorbing quite a class of workers. That is constantly going on throughout the country.

By the Chairman:

Q. While you are on that, may I ask this question? What do you yourself say about the effectiveness of that, judging from experience?—A. May I give you a specific example, Mr. Chairman. This took place in Winnipeg. It was a small departmental store, though I have just forgotten the name of it. They came to one of our head office officials in Winnipeg, the regional official, and they wanted to thank him for what they had done for them. They said, "We hear you are going out of business; National Selective Service is apparently going out of business. Before you go out of business we want to thank you for what you have done." So it was carefully explained to these two partners that we were not going out of business, that we were merely changing our spots, and that we would be known in future as National Employment Service. So they took the opportunity of taking those two gentlemen through the office, to look it over and see what was happening. They had asked them before, "Are you thinking of engaging any additional people?" They said, "No." They went through in an hour and a half and gave us an order for eleven people. That, I think, gives you an idea of what personal contact will do with an employer.

I might mention here in passing that in the six weeks from October 1 to the middle of November our Montreal office visited 2,184 employers on employer relation work; so that we do the utmost we can to contact all these people and see what can be developed therefrom.

By Mr. Harris:

Q. Have you the figures of the actual results by the week or month of persons placed?—A. No. I cannot give you that. It is rather intangible, for this reason: we will go in and the employer will say, "There is nothing". He may think it over and phone in a call the next day which we cannot really link up with the actual visit. But we do attempt to visit these people, not too frequently, but to repeat our visit so that we can really get across the idea that we are trying to render a service without any cost.

Our staff across the country at this time consists of 7,572 regular employees and 1,265 casual employees. These casual employees are people who were taken on at an hourly rate of wage. We have over-all authority that we can take up to 3,600 people as particularly pressing areas arise, and we use them for that. Of the regular employees, 3,679 are male and 3,893 are female. 1,842 of these are veterans. We have 228 full-time offices and we have 68 itinerant offices, that is offices which we open one or two days a week, and it is known in that area that they will be open Tuesdays and Thursdays or whatever the particular days are that are decided upon.

Certain staff in our offices are detailed to handle veterans. They are veterans themselves, either of the 1914-18 war or of this war. They are well versed in veteran matters. They have training with the D.V.A. and all the aspects of that, and they can easily straighten away a man; they do not attempt to usurp any of the offices of D.V.A., but they can tell him where to go and how to go about doing the thing if he comes to them and asks for advice in that regard. These men being veterans themselves—some of them are women, of course—I think we can take it for granted that they are seeing to it that the veteran gets the preference in referrals, gets priority and gets the utmost in courteous treatment from our staff.

Our difficulties are a few. We have one serious difficulty to contend with, and that is where employers do not notify us of vacancies. That is brought about by quite a few things. We have found, for instance, that when a man comes in to us seeking employment and we are unable to give him an employment referral, he asks for what we call an open permit. We grant that to him, which enables him to go out on his own and look for a job. He feels that possibly he has the entree some place, and often he has. The first we know of it is when we get a notification from the employer that he has been hired; but prior to that we had not been notified from the employer that there was a vacancy in his establishment. It is quite possible, of course, that this man going to seek this employment so impressed the employer that he says, "Well, I am going to make room for that fellow" and he had no thought prior to that of establishing a position. But we do have quite a few of these cases to contend with.

Another thing we contend with, and I think it is a universal civil service cry, is that we want every one of our employees to be as high a class of individual as we can get, and at the salaries that are paid in the civil service. We have a long way to go in that respect, but we hope that eventually we will overcome it.

However, the most serious difficulty with which we have to contend is the matter of premises. Once more, that is a civil service cry throughout the whole country. Our offices, with very few exceptions, leave a great deal to be desired. We have many offices where we should have more staff but there is no place for them to sit down. We just cannot hire the staff. We have delays occasioned from that. It is unfortunate. We are striving constantly, Public Works acting as our agent, to get additional premises, and there is a ray of light. In some parts of the country it seems to be getting a little bit easier. But we do have this serious obstacle to overcome; and until things really become readily obtained, it is going to be very difficult for us to give the service that we would desire in that regard.

Dealing with civil reinstatement, we have had absolutely no trouble in that regard. The employers have been doing an excellent job in that respect, and there has been no occasion to take even the semblance of legal action. I hope the officer in charge of that may have an opportunity later, Mr. Chairman, to give you some further details.

By Mr. Brooks:

Q. How about the unions? Are they recognizing the time that the men spent overseas?—A. In the majority of cases they are very sympathetic to that also. There are some difficulties, and there are agreements with employers that are not so easy to untangle.

Q. There are a number of complaints coming in?—A. Yes, there are. We have found it, on the whole, to be running exceptionally well.

I wanted to give you just an outline in a broad way of this machine as it functions across the country. I would ask, if possible, that some of the heads of the branches here be permitted to give you a very short talk on their particular subjects.

By the Chairman:

Q. Who would you suggest first?—A. I would suggest perhaps you might have Colonel Morrison. He is supervisor of placement of veterans, and that is of particular interest to you. Then perhaps he could be followed by Mr. T. R. Walsh, who is our chief enforcement officer and is particularly concerned with civil reinstatement. Then if we have time, we could have Mr. Hudson, who handles handicap cases. That might be of interest to these gentlemen also.

Thank you very much, gentlemen.

By Mr. Merritt:

Q. Could I ask one question? What would you say as to the state of affairs in the various retail stores as to the number on staffs compared to before the war, and whether full delivery services and conveniences of that nature for customers have been restored?—A. I do not know whether we have any figures on retail merchandising. Mr. Rutherford tells me we have more staff engaged in retail merchandising than there were before the war. In so far as delivery purposes it is another picture. There is one figure here which might be of interest to the gathering. This is as to the period from V-E day to the end of November. Of the applicants for work we actually placed 760,122 people between the 1st of May and the end of November.

By Mr. Harris:

Q. How many?—A. 760,122 placements. That is both male and female. That is three-quarters of a million people. That is from the 1st of May until the end of November. That is over 100,000 a month.

By Mr. Mutch:

Q. That is counting those placed a second time?—A. That is not individuals. There may be repeats but that is the actual number of placements. As to the figure at the end of November of 173,000 odd people seeking employment there were also 102,000 odd opportunities. Woods work took care of 30,000 of those, and there were 45,000 women.

By Mr. Green:

Q. To what extent is there a moving of employees from one part of Canada to another? Can you explain how you handle that?—A. Recently—it is within the last few days, as a matter of fact—we have authorized our Vancouver office to place advertisements in the newspapers in Vancouver and Victoria to the effect that as to any individuals whose homes were apart from

there and who desired to return to their homes or who wished to go to some other point at which there was a reasonable chance of employment we would pay the fare. I am making a recommendation to Mr. MacNamara that the same policy be extended to a number of other cities. He has not received it yet but I made that recommendation to-day.

In case we have an order from an employer which the particular local office in his area is unable to supply that order goes in an ever-widening circle to other offices so that you get national coverage. The reverse side of the picture is this, that if an employee with some unusual skill wants a job once more we use the same facilities so that it becomes a widening circle. Additional offices see whether they have an opportunity for that man. We believe that gives us unexcelled coverage of Canada. Of course, it is at no cost to either employer or employee.

Q. Will there be any policy of assisting employees to travel from one part of the country to another? Is that only for those exceptional cases?—A. This is for exceptional areas where conditions are particularly bad.

Q. It is not intended to have any permanent policy of that type?—A. If conditions demand it it might be considered. They do not at the present time.

By Mr. Wright:

Q. To what extent does that policy apply which you have just stated whereby if a man has a special skill information is sent to other offices? Does it go right across Canada or just within the province?—A. We will say for the sake of argument that an entomologist turns up in one of our offices. There are very few jobs for entomologists, of course. The immediate area is scoured and there is no job for an entomologist. We start in a widening circle. We take the province first and if there is not work in the province we will push it across the country so that every office knows that here is an entomologist seeking a position, and they may be able to find something to link him up with.

By the Chairman:

Q. And if this entomologist did not have money to go to the job you found for him would you not advance him his fare?—A. There is under the Unemployment Insurance Act a clause that moneys may be advanced to pay transportation for a man who is without funds on a repayment basis. It has yet to be used.

By Mr. Green:

Q. Do you do anything in the way of determining future trends of employment and advertising as to what the most likely opportunities will be?—A. We have not got to that stage yet. We have had a lot of discussion on it. As a matter of fact, we are now establishing some posts—they are at the present time in the course of being advertised by the Civil Service Commission—as to what we term labour market trends. The object we would ultimately hope to attain is to be able to forecast with some degree of accuracy what the chances of employment in a certain occupation are in various parts of the country. It is a skill which is still in its infancy, as you can appreciate, and we have got a great deal to learn. Canada is very young in this business. The whole world is very young in it but we are trying to forge ahead as rapidly as we can along those lines.

Q. Probably it would be very helpful if you had a service of that type?—A. It would. It would be tremendously helpful but you can appreciate it is a little bit of crystal gazing to start.

By Mr. Brooks:

Q. Take the matter of coal mining. I had a letter the other day from a coal operator who claims he has not many more than 50 per cent of the men

he had before the war. He also said he did not think they were advertising the fact that coal miners were difficult to get and that it was not receiving as much prominence as it should in your advertising.—A. A certificated coal miner is a very difficult man to find to-day. We scoured the country during the war period particularly. We even got them out of the armed forces by arrangement with the army. They were released to go into coal mining.

Q. They should never have been in.—A. Perhaps not. Right down in Sydney to-day we have a demand, if my memory serves me rightly, for 500 certificated coal miners. We have a great number of people proportionately out of work there but they have not got a certificate and they cannot work at the face. They are all right on the surface but apparently it is such a skilled occupation that a man has to be very well posted and versed in it before he can work with others without endangering them.

By Mr. Mutch:

Q. Where do they learn?—A. I think they mostly learn as apprentices and beginners, but it takes a period of years. I do not know how long.

By Mr. Probe:

Q. Have you made the apprenticeship acts of the various provinces fairly well known among returned men?—A. Mr. Thompson could really answer that question better than I can. In our counselling service we would give him all the information we have available at our finger tips.

By the Chairman:

Q. I understood you to say you used the daily newspapers. Do you not use the weeklies at all?—A. No, we do not use the weekly newspapers because there are over 800 of them in Canada. Our bill for advertising runs \$30,000 a month on the daily newspapers.

Q. My experience in regard to advertising is that the ads in weekly newspapers are read more carefully than in the daily newspapers.

Mr. BROOKS: You come from a small town.

The CHAIRMAN: That is it.

Mr. MUTCH: It is probably a sound division but I do not think the reason for doing it is very sound.

The WITNESS: It would take a large sum of money to cover the 800 weekly newspapers.

Mr. CROLL: I think you have covered it in the dailies.

The WITNESS: It is \$1,000 a day now.

By Mr. Wright:

Q. Is any consideration being given to extending the offices to smaller places than they are in at the present time? In western Canada your offices are quite a long way from a great many areas. It is probably 100 or 200 miles to the nearest employment office. During the war time and harvest season some local men have been appointed as representatives of the employment offices to deal with the local situation. I am wondering if any consideration is being given to the extension of your offices to smaller centres where one man might have a local office in contact with your larger centres?—A. We have itinerant offices. It is usually a room in a hotel or part of a store where our representatives go two days a week or something of that sort. They are constantly being enlarged. Then if eventually the demand warrants it we will establish an office.

Q. How many of those have you in Saskatchewan?—A. I think I have that here. As to what we call itinerant offices, in Saskatchewan we have one.

Q. I thought so. I never heard tell of it before. That is why I asked. I know there is a need there in some sections for a closer contact with your employment offices. I would suggest to you that you might extend that service in some districts at least.—A. We have thirteen offices throughout the province.

By the Chairman:

Q. I suppose you have given consideration to making some use of municipal secretaries and civic officials, have you?—A. Yes. They act for us to a certain extent. Mr. Rutherford has pointed out to me we work with the provincial and municipal authorities particularly on the off-season labour, harvest work, crops, and that nature of thing.

By Mr. Wright:

Q. I think you can have a very good service by working with municipalities. Local municipal secretaries especially can do a lot. They are over-worked as a class, and quite often this is piled on them as an additional task without any extra remuneration. That is the difficulty of it.—A. The provincial authorities have been most cooperative in all that harvest work. They get out the crops. At the meeting in Ottawa they seemed to feel they might still be able to carry on in that respect. I brought a chart with me which might be of interest to you. I think it is perceptible across the room. It shows the change in the picture between the months of May and June, showing the vacancies on the down trend and showing those unplaced on the up trend. They cross in September. These are males only apart from woods work. Woods work is at the bottom of the chart. There is the unplaced as against the vacant. It does forcibly draw attention to the fact as to the way one is going down and the other is going up.

By Mr. Bentley:

Q. Mr. Chairman, we were told at the start that they were making contacts with employers frequently trying to get other places. Do you do that in all small centres or just in the larger places? Do you go to little villages where there are a few employers?—A. Yes, but not as frequently.

By Mr. Mutch:

Q. Only those who employ ten or more?—A. No, that is the news letter. That goes to those who have ten or more. In so far as contacts are concerned we naturally do it in the bigger cities, but we do make infrequent visits to the smaller centres.

By Mr. Bentley:

Q. Who does that, the itinerant offices?—A. No, that is what we call our employer relations section. That is their sole duty, to contact employers and learn what their specific needs are, and to get some idea of the particular class of worker, because they can be highly instrumental in making a success of a placement after they really determine what the knowledge of the worker should be, what is the aptitude, and so on. They will do a much better job in making a placement after they have come back to the local office and interviewed the officials who are concerned with the actual placement.

Q. In those contacts with the smaller places is it your experience that most of the vacancies there are filled by individuals who come back to those places?—A. Yes. In the smaller places they know that Bill Jones' son is looking for a job. That is mostly the situation.

Mr. GILLIS: May I say something with regard to a statement made a moment ago by the witness. He admitted they had a problem in getting certificated coal miners in the industry. He stopped there and did not say they were doing anything to overcome that problem. I want to say that I think

the main reason why you have that problem rests with the Department of Labour.

The labour department did start an apprenticeship scheme in 1942 under the war emergency scheme. It was a good one. That scheme worked up till last May. Last May it was abandoned, it was abandoned at the very time it was most needed, when the returning service personnel was coming back. I have discussed this matter with the Department of Labour and with veterans affairs and I am informed that the matter is now under consideration with the provinces, but I know you are going to strike a lot of delay. I do not see any reason why the federal government Department of Labour should not continue the scheme which they had in operation under the war emergency order, because that order is still in effect. I know that there is a shortage of men; that is supported by the fact that 560 certified coal miners now are wanted in one area. But you have one problem in mines which you do not have in other industries, and that is that a man has to write an examination under the coal mining regulations of Nova Scotia and it takes three years for him to qualify as a first class miner. I think that is what the Department of Labour should do in consultation with the Department of Veterans Affairs; because I know that in the Sydney area veterans affairs want the scheme continued. They could be using them now to great advantage, and could have been using them since last May, that has been abandoned and I think because the Department of Labour and the operators are just letting it peter out. These is a great demand in the industry for it. I would suggest to the witness that veterans affairs and the labour department should immediately consider the re-establishment of it. The mechanics are all there. It really needs someone to give the go ahead signal to go back at it. You have the schools established on the ground; competent instructors, rates established; the thing was working and working well. I cannot understand for the life of me why at the time it was most needed, especially when we have a large number of service personnel coming back, it was dropped in connection with the one industry in which there is a chance for them, the coal mines of Nova Scotia. That is where you should be training them. The other vocational training there is merely a matter of wondering what we are going to do, we train men and there is nothing for them. In that particular industry there is a chance. I just wanted to say that and leave that thought with the witness because he is interested in it and has some responsibility for it. I would like to ask a question before I sit down: in your offices what percentage of your employees still have the status of temporary employees; I think that is a thing we should know?

The WITNESS: I cannot give you the definite figure but I would say that is was less than 10 per cent of our employees who are permanent. I am using that as an outside figure. I would think myself it would be closer to 8 per cent, but I will put it at less than 10 per cent of our employees are permanent. I am not including in that calculation these casual employees on an hourly rate, only full time employees.

By Mr. Bentley:

Q. Are the welfare officers classified as clerks?—A. There are a great many classifications.

Q. I mean, the ones out in the country that have to be left pretty much alone?—A. They are mostly what we call employment relations officers.

By Mr. Mutch:

Q. What is the increase since 1939 among your temporaries?—A. In 1939 we were not in existence.

Q. I refer to the whole Department of Labour?—A. I am just talking about the national employment service and the unemployment insurance commission.

By Mr. Croll:

Q. Is there any reason for the feeling that I think there is in the country that your employees are not as well paid as others for comparable work generally, I am not talking about individual cases; is there anything to that?—A. Yes, I am inclined to agree with you.

Q. You are doing now a very important function, likely no more important, it seems to me you either are not attracting people or you are not paying enough to attract the right sort of people or you are not paying enough to the people whom you have attracted. There may be something to that or there might not be. I do not know.

By Mr. Winter:

Q. I wonder if the witness is in a position to make any comment on the point raised by Mr. Gillis? I would like to know what he has to say about that.—A. Mr. Thompson I think dealt with that very fully on Friday, if I remember correctly.

The CHAIRMAN: Gentlemen, we have three other gentlemen to call. We also have to hear from Eddie Dunlop, who is superintendent of the casualty rehabilitation section of our own veterans affairs department. He has been attending here steadily and it will probably take him about ten minutes to cover what he has to say. So I think we should move along as fast as we can if we are going to hear from the three or four people we have present.

Mr. GREEN: I would like to ask one more question of Mr. McLaren.

By Mr. Green:

Q. How does the preference work out when it comes to a call for an employer from an employee?—A. Our preference is in referrals; that is, we have a number of men who are seeking work in this particular line. All things being equal we then send on the veteran to the employer before the civilian, so that he has the greater chance of getting a job. That is based on the fact that the veteran has to be capable of performing the job. But it will also get him the job from the better qualified civilian.

The CHAIRMAN: Thank you, Mr. McLaren. We will now hear from Mr. Morrison.

Mr. G. M. MORRISON, Supervisor of Veterans' Placement, *called:*

The WITNESS: Mr. Chairman and gentlemen, I feel that if I tried to give you a detailed outline of the policies under which the employment service works on veterans' placement I might take up too much time and probably might not hit the exact point you had in mind. Therefore, I only intend to spend some ten or fifteen minutes at the very outside and give you a brief résumé of the way in which veterans placement is handled and the policies under which we work, and the types of officials and their names and what they do in the employment service in the handling of veterans' placement.

First of all we deal with the veteran before he fully becomes a veteran. We have a representative at every one of the discharge centres of the three armed forces across Canada. Their title is armed forces interviewing officer. They interview the veteran after he has had his in-service counselling and naturally after he has had any pre-discharge leave that is coming to him; so that we feel when our officer interviews him he has more or less made up his mind as to what he most wants to do. And now, every one of the veterans interviewed is given his national registration certificate to save him the trouble of having to go to the post office after he gets out to get it. He is also given the information

on his rights under the Re-instatement In Civil Employment Act, and his rights under the Unemployment Insurance Act, and a short description of the set-up of the employment service. Then, if he is one who is desiring re-instatement he is given form 8211 to take to his old employer; and this form has on it a confirmation, so that he does not have to go to our local employment office to see about his re-instatement, he can go directly there after his discharge. The employer then has a postcard which he can send back to us if the man is accepted or is not accepted, and if he is not accepted, he tells why.

The next class are those who are seeking new employment. Those who are seeking new employment are given a letter of introduction to the local office of the national employment service in the town in which they say they are going to seek that employment. However, that letter of introduction can be used elsewhere; although it may be addressed to our office in Timmins but he turns up in Hamilton he can still use it as an introduction to prove that he had been a service man.

When a service man gets his discharge and goes to our local office he at once is sent from the interviewing counter to a unit called the armed forces registration unit which is set up there to deal entirely with ex-service personnel. And I may say here that in the larger offices where the women's division and the men's division is separate there is also a representative of the armed forces registration unit in the women's division, and anything that I say about the veterans applies equally either to men or women. Within the armed forces registration unit the officials are all ex-service men, either of this or the last war. The interviewer checks first to make sure that the necessary information has been obtained at the pre-discharge interview, and that he understands fully what his rights are under the several Acts. He is also given an explanation of the working of the local office, and then is registered for employment on our application employment form. The interviewing officer there takes down all the relevant information regarding his application, his work experience, occupational qualifications and so on; and if he has a secondary or a third occupation that is noted. Now, in order to ensure that the veteran will get the preference to which he is entitled the letters "B.P." are put in red on the card so they can be easily noted—they appear on the upper right hand corner of the file.

Veterans' preference is given to anyone who has had overseas experience or who is in receipt of a disability pension for war service. The definition for overseas adopted for use by us is the same definition as is used in the War Service Grants Act. We did that so that there would be no confusion with the men going to D.V.A., for instance, and saying you are not allowing me as much on my re-establishment credit as a veteran as the Department of Labour does because they give me the veterans' preference because I served in Jamaica, why can't I get \$15 a month of a gratuity and re-establishment credit. That was our reason for adopting the same definition of overseas.

After being registered he is taken to the proper placement section. In the larger offices he is also dealt with by a veteran. You cannot extend that to the smaller offices where they have one official doing more than one job. In the placement section if there is any vacancy in his occupation he is referred to it at once and given a permit. If there is none in his former occupation it is checked to see if there are any secondary and so on; and if there is absolutely no opening whatever he is told to go home and wait and he will be advised as soon as an opening occurs.

You may wonder how the follow-up of that veteran is done; first of all the selection section have a responsibility for anybody who comes before them and they are supposed to check their files when openings come in, to go over them carefully and find out, and they have to record what the applicant is capable of doing—then, when an order comes in it is further the responsibility of the armed forces registration unit to check up on the veterans, and there are a great

many things on the statement there which they can check up carefully; and then they check with the selection section of the office concerning the veteran alone and say this job has been registered here—and, in that way, the veteran has a double check and he is followed-up.

I have not said anything about the handicapped veteran, and I did not wish to go into that because, as you know, the Department of Veterans Affairs has assumed responsibility for the placing of handicapped veterans in employment through their casualty rehabilitation section with their casualty rehabilitation officers; but I do not want you to think for a minute that we are forgetting him because we also have our special placement section and our special placement officers and our casualty rehab. officer. But we cooperate very closely with D.V.A., we cooperate so closely that you might almost think they were officials of the same department; but our special placement sections are available at all times to help and do everything they possibly can in assisting the C.R.O.'s to place handicapped veterans.

Now, in speaking of that point of cooperation between the D.V.A. and ourselves I can mention two other points. In every one of our offices in cities where there is no D.V.A. rehab. centre, we have one official called the veterans' adviser who not only has been trained by ourselves' but has also been trained by the Department of Veterans Affairs along the same lines as their welfare officers and D.V.A. counsel, and is available to give information and advice and assistance to any veteran who comes in about a rehab. problem generally. That is on points other than employment. The reason why they are there is that there are only 16 or 17 rehab. centres but we have offices in over 200 cities. A man may have a question he wants to ask and he may easily be a couple of hundred miles away from a rehab. centre. Now, he knows that in every office of the National Employment Service there is one official who has the information and can answer his questions and assist him in putting in applications for any of the D.V.A. benefits, follow-up and see that he gets proper treatment. You may say he is the representative from D.V.A. in our office. Also we have a representative in the D.V.A. rehab. centres. In every one of these offices across Canada we have veterans' employment officers who are stationed there to assist in case a chap comes into the rehab. centre and after counselling it is indicated that what is really needed is a job and not some type of training or some other benefit under D.V.A. D.V.A. do not have to say to that man, as in some cities: "Go a couple of miles to the other side of the city and call at the Employment Service." They say: "We have an answer here; come down." That veterans' employment adviser has a direct line. His telephone is on our local office switchboard, not D.V.A., so he can get in touch immediately with the local office and find out if there is any opening and, if so, he can register the man and refer him from his office, thus saving the runabout.

Now, gentlemen, that is a very brief description, but I think you will realize that both D.V.A. and ourselves are making an honest and sincere effort to do everything they can for the veteran to avoid giving him the runabout if at all possible. In all of our stations, our own local advisers and D.V.A. rehab. centres, we have the two officials under the one roof and, therefore, we are trying in every way we can to give the man prompt and efficient service.

Now, as I mentioned in opening, I could have taken much longer and gone into a lot of detail but I felt it would be more to your wishes to give you that very brief outline and then allow you to put questions to me which I shall answer if I can, and if I have not got the answers here and know that the information can be obtained I will obtain it for you.

Mr. EMMERSON: You were referring to rehabilitation centres; how many are there across Canada?

The WITNESS: D.V.A. has—I think it is seventeen at the moment.

Mr. WOODS: Nineteen.

The WITNESS: The 200 or more were the local advisers of the National Employment Service which Mr. McLaren mentioned to you.

Hon. Mr. GIBSON: Do you give any preference to ex-service men over the ordinary civilian?

The WITNESS: If he has had overseas service he gets the veterans' preference. If he had service in Canada only he does not legally have the veterans' preference but receives special attention. That is handled by the armed forces registration unit, they are following up and checking and if there are three people all equally qualified for one job, one a veteran with overseas service, one with service only in Canada and one a civilian, the placement section would send the veteran who went overseas first and give the veteran referral.

Hon. Mr. GIBSON: Would the other man get second preference?

The WITNESS: He might and he might not. The armed forces registration unit would follow up. I will not deny there might be a case of where the selection section man comparing the two might think that the civilian had a little bit the edge on him, and we do try to play ball with the employer and to send him the best qualified man.

By Mr. Brooks:

Q. If you had two men, one who had volunteered for active service in Canada and did not go away, and an N.R.M.A. man, would you give any preference to the ex-service man?—A. Definitely so.

The CHAIRMAN: You mean he got to Kiska?

The WITNESS: I would not like to go on record as to what we do, but you can count on that.

The CHAIRMAN: The N.R.M.A. man who got to Kiska is entitled to the overseas preference.

Mr. BROOKS: I am not thinking of Kiska at all.

The CHAIRMAN: He might be an N.R.M.A. man.

Mr. MUTCH: There is no preference if he did not get out of Canada.

By Mr. Brooks:

Q. I am asking whether there was any preference that they gave?—A. Colonel Brooks, I do not want to go on record on the thing, but may I put it this way: you are a veteran of both wars; our people handling these things are veterans; what would you do?

Q. The same as you do, possibly.

By Mr. Green:

Q. How many veterans are out of work at the moment?—A. These are the figures that Mr. MacNamara gave you Thursday in referring to applications at the end of November—36,564.

Mr. WOODS: That is from both wars.

The WITNESS: That is from both wars. Of those 5,839 were from the 1914-1918 war only.

By Mr. Green:

Q. Have you any idea where they are?—A. I am sorry, I have not got that broken down yet. We only get the returns on the veterans once a month and our statistical section has not got November compiled. I got the total figures from them in a great hurry last week, but the breakdown is not ready yet.

Q. You have not any figures later than the 30th of November?—A. Mr. Rutherford borrowed some figures from Mr. Peebles so that he could answer

as to any particular place, if there is any particular place you want to ask about.

Q. How many of them were in Vancouver? You have no figures later than November 30, have you?—A. No, I have the end of October here.

Mr. RUTHERFORD: The total of unplaced applicants at the end of the month, 2,367 of the 1939 war. Those are new applicants; and renewals, revivals, people who had already been employed who were again seeking work, 1,157. It is a matter of considerable interest, I think, that in the 1939 war, of that total, only 494 have been registered as seeking employment for more than fifteen days.

Mr. GREEN: It does also include men from the 1914-18 war?

Mr. RUTHERFORD: It includes men from the 1914-18 war; there are a total of 1,084, of which 250 have been registered for more than fifteen days.

By Mr. Brooks:

Q. Do you find that many of the men seek work on their own and do not apply to your employment services?—A. I do not think there are a great many that go out on their own, but up until two or three months ago we could always refer them. Now, when they are in the open, they will say, "Give me one of those open permits," or if they do not we will suggest that while we are looking why not take an open permit and have a look around himself.

Q. I was asking to see if your figures give a correct picture.—A. There would not be quite as many, there would be a few who have not been in to see us. That would be very small compared to those referred to jobs. As Mr. McLaren pointed out, our service cannot manufacture jobs, and quite often a man can go out and get a job when he is not listed. That is because a great many employers have in their mind some change in their business or some enlargement, and they are going to take on somebody sometime, but there is no urgent need, and therefore they will not put an order in with us until the need becomes urgent, and in the meantime if some outstanding chap comes along he thinks he would like to have that chap and he will make the opening in regard to him. That is the way many fellows are able to line up jobs for themselves. Along that same line, in the smaller towns especially, our armed forces registration units do a great deal of that because they know the employers and they will get on the phone and they will say, "Mr. Jones, I know that you haven't got any order with us, but we have a really outstanding lad here who just got out of the air force and I think you might be interested in seeing him; may I send him around and if you can do anything for him will you take him on?" I feel that about nine out of ten of those referrals really become placements.

The CHAIRMAN: If there are no further questions to be asked of Mr. Morrison, and as Mr. Morrison has referred to the work of the casualty rehabilitation section of the Department of Veterans Affairs, and as Captain Eddie Dunlop is here and has been steadily in attendance for several days, I would like to have him come and give us some idea of the work he is doing.

Mr. ADAMSON: Before Mr. Morrison goes I should like to ask one question. Do you do anything for the disabled fellow—a chap who has got some disability? Now, I have had several men who have come to me from industries in my own riding and they have a job for a watchman or a timekeeper for a fellow who has lost a leg or an arm or an eye. Is there any way he can get in touch with the authorities so that they can send a man in that case? Do you do that?

The WITNESS: Yes, sir.

Mr. ADAMSON: What is the machinery?

The WITNESS: Both departments which are vitally concerned with the veteran—our own department and the D.V.A.—have men you can send them to. You can refer them to the casualty rehabilitation adviser in the D.V.A. or you can refer them to our special placement officers. Major Dunlop will tell you about the D.V.A., and if you wish to go into more detail with our special placement officer, Mr. Hudson is here also. Actually the handicapped veteran has two strings to his bow.

Mr. GREEN: The total figures that Mr. Rutherford gave from Vancouver were 4,721.

Mr. RUTHERFORD: That is correct.

The CHAIRMAN: We will now call on Mr. Dunlop.

(Summary of statistical material relating to ex-service personnel—Appendix "A").

Mr. E. DUNLOP, Supervisor of Casualty Rehabilitation Section, Department of Veterans Affairs, *called*:

The CHAIRMAN: Proceed, please.

The WITNESS: Mr. Chairman and gentlemen, I had not expected to be called today and I have not a prepared statement, but in a very few minutes I will try to outline what the casualty rehabilitation section of the Department of Veterans Affairs is now endeavouring to do. The casualty rehabilitation section is one section of the rehabilitation branch, and is the section most recently created. Its job is to assist veterans who have serious physical disabilities to rehabilitate themselves. There are a number of services that may or may not be required by individual disabled veterans, or disabled persons in rehabilitation. These are services such as medical treatment, the fitting of artificial appliances, financial protection during the adjustment period, vocational or educational training, vocational and other counselling, placement in employment and finally after-care. All those services were provided by the department in conjunction with the Department of Labour prior to the introduction of the casualty rehabilitation section. That section has a staff of casualty rehabilitation officers who are required to provide three of these services, namely, counselling, placement in employment and vocational after-care. In doing so, they are required to assist the veteran to make the maximum efficient use of all other services provided by all other agencies. Thus, their job is to help the veteran to a realization or a determination of his own need for rehabilitation and to assist him to make plans for fulfilling that need. These plans may involve training, they may involve placement, they may involve many other things.

With reference to placement, as Colonel Morrison has pointed out, one of the existing agencies of which we try to assist the veteran to make the maximum use, is that of the National Employment Service. At the moment, being rather recently established and having suffered as all sections have, to some extent, with the difficulty of getting staff until fairly recently, the section is concentrating now upon those so-called disabled veterans who are presently in our departmental hospitals. They will later, of course, when they have been able to deal with that particular load, be required to assist any disabled veterans who have secondary adjustment problems that may be caused by changing employment situations or other reasons. These are veterans who are already discharged from treatment. Similarly, in the future they will have a continued responsibility towards all veterans with serious physical disabilities, to assist them at any time that they meet the greatest difficulty which the physically disabled man can meet, that is to say, unemployment.

In concluding this short outline, I should like to say that we are firmly convinced that a physical disability need not be an occupational handicap. We

are also convinced that if all people in Canada, employers and citizens alike, can achieve a proper understanding of the physical factor in employment, the vast majority of the so-called disabled veterans can compete for employment in normal labour markets. That understanding is largely an understanding that what we are most concentrating on is what the man has the ability to do, and forget his particular disabilities. Very few jobs call for full physical capacity, and the most important factors in most jobs are training, experience, aptitude, education, personality, the ability to get along with others and the ability to learn. We are intending to make more effort to educate, as one might say, employers along these lines and to assist them to a realization that the disabled should be considered for employment in the same way as the able-bodied; that is to say, to measure their positive abilities in the light of individual job requirements and not become obsessed by an undue consideration of the limitations which may be imposed upon that man by physical disability which we know, in fact, may be no more serious than the limitations which are imposed upon the public at large as a result of being too old, too young, or too short or too tall, or too fat, or illtrained for this job or that.

The CHAIRMAN: Does any one wish to ask any questions of Major Dunlop?

Mr. WOODS: I should like to say a word, Mr. Chairman. Major Dunlop, in approaching this problem of the placement of the disabled, has designed two forms. One is called the physical capacity form and it is an appraisal of the individual as to his walking, standing, turning and so forth. There is a joint form with that called the physical demands of the job form in other words, it is a job analysis. The problem is to put the two together, the physical capacity of the man and the needs of the job. It is a scientific approach to the question and I can say that up to the present, it is meeting with considerable success.

By Mr. McKay:

Q. I should like to ask Major Dunlop who determines the physical disability of these persons that come to your section for advice and instruction? Does it come through the medical authorities connected with the Pension Commission, or is it more or less determined by your own organization after you have a statement made on it?—A. The question being as to who determines whether or not a man is served by this section or not?

Q. That is it.—A. Based on the reports received from the medical officers of the treatment branch, the decision is made by the district casualty rehabilitation officer. It cannot be made on a matter of pension adjustment alone. It depends on other factors, such as the man's past work experience and potential work experience. Thus, a very high pensioner with a leg off, who was a bookkeeper and intends to return to bookkeeping, is not seriously handicapped. A man with perhaps a lesser disability, whose past experience was that of day labour only, whose age is perhaps 38, with low education, as a result of his physical disability, has a serious employment handicap. The definition therefore is not fully subjective but is partially subjective.

Q. Thank you, Major Dunlop. I think every one in this committee is very appreciative of the work of this section. We all have a very high regard for the group of men who are working to assist these disabled veterans. Too often they are forgotten about. I should like to add a further question if I may, Mr. Chairman, and the question is this. I do not think there has been any reference made to the mental disabilities; I am sure there are from this war, the same as there were from the previous war, a considerable number of them. Perhaps it is not within the field of Major Dunlop's department, but I think it is a matter of grave concern to all of us. Many of these men need to be properly rehabilitated, and I do not think in every case the mental institution is the place for them.—A. I do not wish to answer on the question

of the mentally ill or emotionally ill, or mental disability in general. As far as this section is concerned, we accept for registration and service those veterans with mental disability who have been referred to us by the departmental psychiatrist for the accomplishment of a specific objective; that is to say, in this type of case first we do not endeavour to define a mental disability and secondly we do not endeavour with the man himself to determine what service is required. The determination of the required service is left to the psychiatrist and the veteran, and they inform us and we endeavour to do it.

Q. Could you indicate, Major Dunlop, what percentage of the men that you are serving now are cases of mental disability?—A. I have not got any definite figures on that. I would think it would probably run in the neighbourhood of 10 per cent.

By Mr. Green:

Q. Major Dunlop, how many veterans are eligible for service from your section?—A. Our estimate is approximately 25 per cent of this war.

Q. Do you also do anything for the men of the last war?—A. With reference to the men of the last war, they do not of course, in many instances, come within the provisions of the rehabilitation program of this war; and we do not search out the disabled veteran of the last war. At the same time, should one come through a departmental hospital and have a need which we can assist him to fulfil, such as placement, that assistance will be rendered providing that it does not handicap or interfere too definitely with the service being rendered to those of this war.

By Mr. Adamson:

Q. What liaison do you have with industry in the hospital? I will indicate why I bring this point up. I understand that companies such as the Bell Telephone Company, in the case of their old employees, will go to a hospital and see a man who has suffered a disability and say, "Well now, what would you like to do? Would you like to come back to the company? What job do you think you are fit for?" They will assess him while he is still a patient in the hospital, and I understand that tremendously aids him in his rehabilitation and his actual physical cure in the hospital. I just wondered what liaison you had with industry at that stage in a man's rehabilitation; that is, before he is discharged from the hospital.—A. Liaison with industry might be considered under three headings. First of all, the casualty rehabilitation officers are established in the largest departmental hospitals in each district, and visit all the other departmental hospitals within that district. Where a man apparently has rights for reinstatement, they encourage the man to contact his employer. On the other hand, they also encourage employers within that district to contact the district casualty rehabilitation officer, so that together they may consider the case. The second aspect is the liaison maintained between our section, the special placement of veterans, and the National Employment Service and through them the employers. The third aspect is direct liaison between our own section and employers. Cases are allotted to casualty rehabilitation offices not according to the disability but according to the area in which they wish to reside; and each district is divided into a number of areas according to the total number of casualty rehabilitation officers. Thus, one casualty rehabilitation officer will spend some time with his cases in hospital and some part of his time out in his area establishing employer contacts on behalf of those cases. At the moment, those employer contacts are just beginning to grow. There effort usually is from this point of view. We have a case to be placed. We now seek an employment opportunity for that case, and the employer contacts are growing. As they grow the reverse liaison should improve.

By Mr. Brooks:

Q. What percentage of the cases which you handle would you say you are able to place?—A. I have not got that in percentages. As far as our own placements go I have the figures of September and October. To all intents and purposes, as near as one can estimate, 600 were finally placed in the month of September, 725 in October, and 288 in the month of November. That is 8 out of 16 offices reporting for November. That does not include the number of placements which have been made through the special placement section which Mr. Hudson can give when he speaks later, and does not include the figures of those who have gone to training. On the average about 90 per cent were dealt with efficiently either by training or placement in the last three months. That figure will be higher in some districts and markedly lower in some others.

The CHAIRMAN: Are there any other questions of Major Dunlop? Thank you very much, Major Dunlop. We will now hear from Mr. Hudson.

H. C. HUDSON, Supervisor of Special Placements, Unemployment Insurance Commission, *called:*

The WITNESS: Mr. Chairman and gentlemen: I think in five minutes or less I can deal with the subject of special placements from the point of view of the National Employment Service. I say that because Major Dunlop has outlined briefly the procedures that we follow, and he has indicated the close liaison which exists between the employment service and the casualty rehabilitation officers with respect to the placement of veterans.

I may say it has been a real pleasure to work with Major Dunlop and his staff. I have just returned from a trip to three of the five regions. I find that the same cooperative spirit on behalf of the disabled veteran that is manifest at headquarters is carried out in the local offices and in the regions. We have a regional supervisor of special placements in each of our five regions in Canada. One of them jokingly remarked a month ago that the disabled person had a better chance to get a job than the person who was physically fit. We have developed so many reasons for employers to hire disabled people, the advantages of a handicap, in other words, that employers are now listening with interest to our story and paying attention to our contention that the disabled person is less likely to leave his job. He knows that he is being watched in the matter of absenteeism and he is accordingly more careful to be on the job and stay on the job. There are other advantages as well. Colonel Goodman, our regional supervisor in British Columbia, now says that the statement that the disabled person has a better chance to get a job than the physically fit person has ceased to be a joke. It is a fact because, as Major Dunlop has pointed out, between the efforts of the casualty rehabilitation officer on behalf of the disabled veteran and the efforts of our own officers who are out in search of employment opportunities the disabled veteran has two people working for him whereas the physically fit only has one representative searching on his behalf.

I should like to say at this time that the special placement division of the National Employment Service has other responsibilities for the promotion and co-ordination of vocational guidance. Vocational guidance is ordinarily thought of as something that fits almost entirely young people leaving school, but we find that the veteran sometimes comes to us for advice, what we might call occupational guidance, as well as for actual assistance in securing employment. The special placement division of the National Employment Service is a firm believer also in the necessity of an all-out program of civilian rehabilitation in Canada. We feel that the Workmen's Compensation Act takes care of the man injured in industry, that the veteran has facilities at his disposal for his re-establishment, and we feel that the time will come when

the people of Canada will provide equal facilities for the person who is the victim of infantile paralysis or disease generally or has had an accident of any kind. We preach that gospel, shall I say, whenever we have the opportunity.

That concludes my remarks, except that I have just received the figures of unplaced disabled veterans registered with our employment offices, special placements section, on the 15th of November, 1945. I have not got the breakdown by individual offices. I have it by regions. In the Pacific region, 235; in the prairie region, 167; in the Ontario region, 447; in the Quebec region, 75; in the maritimes, 92. I believe that adds up to 965 disabled veterans registered at the present time.

Mr. Woods: Both wars?

The WITNESS: That is ex-service personnel from the 1939 war, ex-service personnel from the 1914 war, and 40 of the total number are disabled veterans with service in both wars.

By Mr. Croll:

Q. Roughly speaking, how many would you say you have placed?—A. The placement figures for the special placement section are running around 1,150 a month, civilians and ex-service. There would not be more than 15 per cent of that number disabled ex-service men.

Q. Fifteen per cent of the 1,150 are disabled ex-service men?—A. They are being placed each month.

Q. Are you meeting the problem of placement and replacement? Is there such a problem?—A. There is definitely a problem of replacement involved. In fact, in all employment office statistics there are replacements to be considered in view of the casual nature of employment, the seasonal nature of employment, and other factors which enter into the process of placement. There are undoubtedly replacements in the case of disabled ex-service men.

The CHAIRMAN: Thank you very much, Mr. Hudson. The other gentleman whom I have on the list is Mr. Walsh, enforcement officer.

T. R. WALSH, Legal Adviser, Unemployment Insurance Commission, *called:*

The WITNESS: Mr. Chairman, I know that the time of the committee is short. For that reason I should like to make the statement on reinstatement quite brief. Without summarizing the provisions of the Act or its coverage perhaps it would be sufficient to remind you that it is the Act that guarantees that in so far as practicable a man who leaves his employment to join the forces will on his discharge be reinstated in his employment, and as far as possible he will find that he has not been prejudiced in his civilian career as a result of the time spent in the armed forces.

There has been only one change in the legislation. In January of this year the reinstatement regulations were put through to clarify some points in the Act, to spell them out in somewhat more detail, and in some respects to extend the rights of veterans. I might give one illustration of that. In those regulations we provide that disabled men might have an additional period of six months within which to claim reinstatement. The Act, as you know, is administered under the direction of the Minister of Labour through the local offices of the National Employment Service.

Colonel Morrison mentioned to you earlier the first point of contact which is at the discharge centre. There we have the first opportunity to interview the man and to tell him of his possible right to reinstatement. If it appears that he has a claim to reinstatement in his former employment he is given the form Colonel Morrison mentioned to take to his employer. If he is then taken into employment one copy of that form comes into our nearest local office to give us confirmation of the fact he has been reinstated in accordance with the provisions of the Act and regulations. If we do not get that copy back we do follow a vigorous follow-up system. In each of our local offices we have specially

designated officers known as reinstatement officers, their special function being to assure that the veteran is reinstated in accordance with both the spirit and the letter of the legislation. If they do not get that form they get in touch with the man and determine whether he needs any assistance, and if necessary carry it through usually by adjustment to see that he is properly reinstated in his old employment.

Perhaps the real question that you would have in mind is, is the Act working? I am in the happy position to be able to give you very definite assurance that the Reinstatement in Civil Employment Act is working. I do not want to take time with a long series of statistics but I can give an illustration. For the three months of this year when the demobilization rate was quite heavy—that is August, September and October—we have confirmations of 30,000 reinstatements in employment, 18,000 alone in the month of October. I mention the figures for those three months to help in getting a proper perspective. I have no doubt you have heard of the occasional case where perhaps some man feels he has not been properly reinstated, but when that is fitted into the total picture of 30,000 for three months I think the over-all picture is good and promising for the future.

In approaching the problem of reinstatement we do not view it as a matter of enforcement. I think if we were to approach it simply as a question of law, a question of enforcement, probably our results would not be very effective. Rather we approach it as a matter of adjustment. If there is any difference between the man and his employer we try to work out that difference to get the man back on the job happily reinstated and with proper relations between employer and employee.

As a matter of fact, until this time we have only one case of prosecution under way. At the moment there are very few other cases where I think we will have to consider seriously taking legal action in order to obtain reinstatement. At the same time I think a few actions of that nature are necessary to make it perfectly clear it is intended that the provisions of the Act shall be followed. We have found all through the past year that employers are not stopping with the letter of the Act. Generally speaking they know what is required by the Reinstatement in Civil Employment Act but most of them are going far beyond that and trying to find how much more they can do for the returning veteran than is actually required by the law.

We have found in that way that the employers are really attempting to comply with the spirit of the re-instatement rather than the straight provisions of the Act. That indicates in a brief way our experience up to this date. It has been a good experience; but at the same time I think it is always well to keep existing facts and the future in sight. Until very recently we were operating in a time of rather acute manpower shortage, and quite obviously it is simpler to work on a re-instatement problem during a time of manpower shortage. If and as the situation changes it is quite possible our problem will not be so easy, we will have a little more difficulty; but with the experience which we have had to date not only on the attitude of the employers but equally on the co-operative and reasonable spirit of the men claiming re-instatement, we do believe that we can look forward to the next few months with a reasonable degree of optimism in seeing that the veterans are re-instated in accordance with both the letter and spirit of the Re-instatement in Civil Employment Act.

By Mr. Brooks:

Q. Before Mr. Walsh goes, that is a very good picture he has painted and I think a very true one. I am sure that everybody is pleased that there is such a high spirit abroad not only on the part of the employer, but also on the part of the men and on the part of labour. I do not wish to raise any controversial matter, but any complaints that I have received have been in some employments to the effect that the men who are coming back with service overseas find that

that service is not being recognized by the labour unions and these men are prejudiced thereby, they lose their seniority; some man came in and took their job when they were overseas. They had been away three or four years and they come back and find these men in there with their seniority which they have not, and there is a lot of complaint, and I think it is justified complaint.—A. I think I know the problem, Mr. Chairman; but I do not believe it rises precisely that way in regard to the man who was in employment and who has a claim to re-instatement; in such cases his seniority has not stopped at all, all the time he has been in the armed forces is definitely counted for seniority purposes in any of the collective labour agreements existing. But I think where the point you raised comes in is this, the young man who did not have a job; or, I have heard it put this way, the young man who did not have a commercial home. He comes out of the forces in 1945 and he wants to break into a particular field of employment and he finds that there is in existence a collective labour agreement with seniority provisions and as a consequence of those seniority provisions he finds that he has no seniority and he is up against the man who has five, or ten or more years' seniority; and for that reason in a certain limited number of fields of employment he cannot break in. We have had a good many discussions between representatives of the Canadian Legion and representatives of the unions of the country trying to find a solution to some of these problems. I should point out, of course, that that type of case is not a matter of re-instatement, it is a matter of trying to provide an opportunity for a young veteran to break into a field of employment in which he is interested but did not have employment prior to joining up.

Mr. Brooks: Yes, you are right; it is a case of the young chap.

By Mr. Emmerson:

Q. Can you tell us in what departments of government, both federal and provincial, this act does not apply?—A. It does not apply to the crown in the right of the dominion or in the right of the provinces. It does apply to the municipalities. There are in the dominion civil service different orders in council having the same broad intent, but in view of the fact that the Re-instatement in Civil Employment Act does not make specific provision or specify the crown either in the right of the dominion or the right of the provinces it is not binding on either of them. As I said, the dominion has these special orders in council which follow a similar principle; and so far as I have been able to determine the provinces, although not bound by this late legislation do follow the same principle, the same spirit; they are, I believe, re-instating men who left their service to join the forces.

By Mr. Green:

Q. What is your practice where a breach of a provision of the Act comes to your attention; do you make the veteran prosecute or do you step in yourself?—A. We will very definitely step in. As a matter of fact, there is an express provision in the Act to ensure that there will be no cost to the veteran. If we feel that he has not been re-instated and there is a breach of the provisions of the Act we have the authority to proceed on his behalf. I mentioned that there was only one case so far with which we have proceeded. I hope there will not be too many. There will be some, of course. Our first step is to have our local office investigate the matter, and to interview the employer and get the whole story first of all to ensure that there is a valid claim to re-instatement. I think I am safe in saying that 90 per cent of the cases are settled right at that level, at the local office level. If that does not succeed we have what we call a district enforcement officer. He has another try at it and perhaps works it out amicably there. If eventually it cannot be settled at these levels we consider it here at head office, and if it cannot be settled at the top level then we proceed with legal action.

Q. How many requests have you had for legal action?—A. Actually, none. The one case that I mentioned, that we proceeded with, there was not even a request there, it was rather on the facts. We were quite satisfied that the employer had not been following the spirit of the Act. As a matter of fact, it was one of those cases where the employer says; yes, we will put him back to work but somebody else is in his old job. I am afraid there may be too many of that kind, but they are sometimes a little hard to spot. Where we do locate them we try to straighten them out.

By Mr. Herridge:

Q. Where you do find cases in which the employer does not wish to re-establish the veteran, what have been the reasons given by the employer for not wishing to re-establish him?—A. We find very often instances where there is a job, if the employer is not ready to re-instate—what we find on some occasions is that there has developed a little bit of feeling before the man, the former employee, left. That is not general, in fact, but there is the odd case where there was a bit of a tiff—say between the foreman and the man—and shortly after he joins up and they got sore—they would say, if he hadn't joined up we were going to fire him anyway. Obviously, we do not accept that as a reason for non-re-instatement; our answer of course is that if you had intended to fire him it should have been done then, not after he came back out of the forces. That is a fairly typical case. Then, there is another type, which if you have not already heard of you probably will hear some complaint about, and that is the case of the temporary wartime employer; let us take as an illustration a plant that had ordinarily a personnel of 500 at the outbreak of the war. In 1940 they get a war contract making it necessary to expand to say 1,000 and in that expansion they take on a number of young men who subsequently joined the forces. Then let us say that eventually these men come back in the fall of 1945; the war contracts have been cancelled and the employer has had to revert to his normal peacetime establishment and the simple truth of the matter is that there are no jobs available. And, now, we have to recognize where there has been a change of plans and the employer is facing difficulties. That is a practical matter. You cannot require the re-instatement or placing of more than one man in one job; nor can you require that a temporary wartime employee be taken back into employment and an older employee having many years prior to the war being dismissed. I know that in many cases of men coming out of the forces it is difficult to explain that, particularly when he has had very general assurance that those in the forces are entitled to re-instatement; it seems to me that it is a little difficult to explain that in those circumstances, and it is recognized that the employer simply cannot re-instate.

By Mr. Croll:

Q. Would you explain what you mean by that, in those circumstances; let us say where three men are eligible for the same job; what do they do then? Does that happen?—A. Yes, that can happen, Mr. Chairman; you have the case where the man, let us say A joined up in the fall of 1939 and was replaced by B, and B joined up in 1940—and so on down the line. Now, I think as a matter of practical affairs again there is only one complete claim for re-instatement in respect to any one position that can become available. Let us suppose that A unfortunately does not return, then employee B steps into his shoes and has a complete claim to re-instatement; or, it may be that B will return temporarily and eventually be bumped when A returns and applies for the position. The result is that the position is really this, that there is only one complete claim to re-instatement in respect of that one position; and, generally speaking, it is the first incumbent who has the right to the position.

By the Chairman:

Q. Have you completed your statement in regard to the conferences that you said you had had with labour leaders and so on in regard to placing these young fellows who never had a job before?—A. Yes, I did, Mr. Chairman. I did point out that it is not strictly speaking a matter of re-instatement, that it is a problem of the age of the young chap before joining up. It is a part of our responsibility, the responsibility of the departments interested, to place these boys in employment. We cannot give support to that under the Re-instatement in Civil Employment Act which, of course, was designed to take care of the lad who did have a job. We have had these conferences I might say as recently as last week; representatives of the Canadian Legion were there, and of the Canadian Congress of Labour, and of the Trades and Labour Congress. I should think that these discussions will continue. What we will accomplish I would not be prepared to make a guess, Mr. Chairman.

The CHAIRMAN: Are there any other questions for Mr. Walsh? Thank you very much, Mr. Walsh.

On behalf of the committee I would like to thank Major Dunlop for his able presentation today; also Dr. MacNamara and the officials of his department for the splendid presentation which they have made to the committee during the last three days.

But now, I suggest to the committee that we should now turn our attention to the drafting of our final report to the House; and if it is satisfactory to the committee that we meet to-morrow afternoon at 4 o'clock to commence that work. Of course, at that time we will meet in camera as usual, and without the attendance of the stenographic reporters taking down what proceeds. Is that satisfactory?

Some Hon. MEMBERS: Carried.

Mr. HERRIDGE: Just before you adjourn, may I ask if we are going to have an opportunity to consider and discuss the recommendations in connection with these preferences? That is one matter you said could be brought up, that there would be opportunity for the discussion of the recommendation with regard to veterans' preference, more particularly in connection with mail contracts.

The CHAIRMAN: That could be one of the things we can consider as we are going along. We can agree on a recommendation on that, Mr. Herridge. You could bring it up and be sure that it is discussed.

We will adjourn until to-morrow at 4 o'clock in the afternoon.

The committee adjourned at 5:55 o'clock p.m. to meet again to-morrow, December 11, 1945, at 4 o'clock p.m. in camera.

APPENDIX "A"

UNEMPLOYMENT INSURANCE COMMISSION

SUMMARY OF STATISTICAL MATERIAL RELATING TO EX-SERVICE PERSONNEL

1. Total discharges to September 30, 1945:

| | Male | Female | Total |
|-----------------|----------------|---------------|-----------------|
| Navy | 32,600 (app.) | 1,800 (app.) | 34,400 (app.) |
| Army | 265,000 | 9,900 | 274,900 |
| Air Force | 98,300 | 7,900 | 106,200 |
| | 395,900 (app.) | 19,600 (app.) | 415,500 (app.)* |

* To date over half a million.

2. Number discharged by months, VE-Day to November 30, 1945:

| | Navy | Army | Air Force | Total |
|-----------------|---------------|--------|-----------|---------------|
| May | 657 | 6,113 | 3,023 | 9,793 |
| June | 1,679 | 10,566 | 3,040 | 15,285 |
| July | 3,139 | 15,393 | 5,996 | 24,528 |
| August | 4,179 | 22,184 | 8,503 | 34,866 |
| September | 10,000 (app.) | 34,093 | 30,773 | 74,866 (app.) |
| October | 12,000 | 48,000 | 32,000 | 92,000 |
| November | 12,709 | 35,813 | 12,350 | 60,872 |

3. Placements (1) of Ex-Service Personnel by months:

| | Male | Female | Total |
|-----------------|--------|--------|--------|
| May | 16,135 | (2) | 16,135 |
| June | 18,464 | (2) | 18,464 |
| July | 19,975 | (2) | 19,975 |
| August | 22,278 | 263 | 22,541 |
| September | 28,949 | 372 | 29,321 |

4. Ex-Service Personnel registered as Unplaced Applicants: (1)

| | Male | Female | Total |
|--------------------------|--------|--------|--------|
| May 31, 1945 | 10,614 | (2) | 10,614 |
| June 30, 1945 | 12,013 | (2) | 12,013 |
| July 31, 1945 | 13,673 | (2) | 13,673 |
| August 31, 1945 | 18,709 | 247 | 18,956 |
| September 30, 1945 | 27,369 | 401 | 27,770 |

5. Effective Strength of Armed Forces at September 30, 1945:

Approximately 575,000 (3)

- (1) Includes those having served in World War I, World War II, and those having had service in both wars.
- (2) Not available.
- (3) Excludes those missing, prisoners of war, those on extended leave, deserters and those seconded.

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*Canada Veterans Affairs, Special
Committee on, 1945*

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SESSION 1945
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND FINAL REPORT

No. 34

Tuesday, December 11, 1945
Wednesday, December 12, 1945

Including Submissions on Matters Not Considered by the Committee

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1946



REPORT TO THE HOUSE

THURSDAY, December 13, 1945.

The Special Committee on Veterans Affairs begs leave to present the following as its

SEVENTH AND FINAL REPORT

The order of reference to your Committee instructed it:

1. To consider all legislation passed since the commencement of the war with the German Reich relating to the pensions, treatment and re-establishment of former members of His Majesty's Armed Forces and of other persons who have otherwise engaged in pursuits closely related to war;
2. To prepare and bring in one or more Bills to clarify, amend or supplement the above legislation.

At the outset it was realized that it would be impossible, this session, to consider all the problems involved in the rehabilitation of veterans. Only certain of the more urgent questions could, therefore, be discussed. It was decided that the most pressing of these were amendments to The War Service Grants Act, 1944, and The Veterans' Land Act, 1942, and legislation to consolidate and amend the Orders in Council dealing with vocational and university training and out-of-work and other benefits. Draft bills embodying the Committee's recommendations on these matters have been reported to the House and recommendations have also been made to the Government, since implemented by Order in Council, urging the extension of all the benefits of veteran legislation to Canadian nurses who served with the South African armed forces and of pension benefits to Canadian ex-members of the armed forces of nations of the British Commonwealth, other than the United Kingdom, and of our allies. The Committee held 36 meetings and heard 59 witnesses, including representatives of the Canadian Legion of the British Empire Service League, the National Council of Veteran Associations in Canada and senior officers of the three armed services and of the Departments of Veterans Affairs and of Labour. Many written submissions on a variety of subjects were received.

Time did not permit the Committee to deal with the Soldier Settlement Act, the Pensions Act, the War Veterans' Allowance Act, treatment regulations, the effect of a discharge for misconduct, except in regard to the payment of gratuities and re-establishment credits, Civil Service preference to veterans or the granting of benefits to persons in related services, such as the Fire Fighters, V.A.D. personnel, supervisors in the auxiliary services or former members of the Merchant Marine, etc., nor was it sufficient to enable the Committee to reach a conclusion on many proposals brought forward and discussed. In some cases, the departmental officers concerned were requested to make a thorough study of the questions involved and be prepared to make a report of their findings at the next session.

Your Committee therefore recommends that immediately Parliament re-assembles a special committee on Veterans Affairs be constituted with powers similar to those granted this session and, as far as is practicable, comprising the same members.

Your Committee recognizes that the amount of work still necessary to be done by a veterans' committee is of great magnitude and that it may be difficult for such a committee to consider and deal with all matters which should have its attention next session. It therefore recommends that, in order to facilitate its

work next session, a small inter-departmental committee be set up to study the items still to be dealt with and prepare reports for submission to such special committee.

Your Committee, realizing that time prevents its making reasonable study of proposals to make provision for many persons referred to in paragraph 3 hereof, such as supervisors in the auxiliary services, etc., recommends that, where the circumstances warrant, the Governor in Council extend the benefits of veterans' legislation to such persons.

Evidence was given that expansion of Department of Veterans Affairs staffs and Department of Labour staffs necessary to cope with rapidly expanding duties due to demobilization has been seriously hampered by lack of proper office accommodation. Your Committee recommends that the Department of Public Works be urged to allot such accommodation with the least possible delay.

Your Committee further recommends:

1. That consideration be given by the Governor in Council to increasing the rates set forth in Part 1 of the "Schedule of Rates" to the Post-Discharge Re-establishment Order by at least \$10 per month.
2. That consideration be given by the Governor in Council to increasing the rates set forth in Parts 2 and 3 of the "Schedule of Rates" to the Post-Discharge Re-establishment Order.
3. That the government give consideration to providing some measure of assistance, other than that now provided under The War Service Grants Act, 1944, by way of loans to veterans who wish to engage in business; and
4. That immediate consideration be given to making permanent certain positions in the Department of Veterans Affairs that are permanent in their character and were advertised by the Civil Service Commission as permanent positions in Competition 45-1100 to 1130 in June last.

Your Committee wishes to express its appreciation of the valuable assistance given it in its work by Mr. W. S. Woods, Deputy Minister, Mr. W. G. Gunn, Counsel, and the other officers of the Department of Veterans Affairs who gave evidence. It also wishes to express appreciation of the co-operation of the various ex-servicemen's organizations who submitted briefs and appeared before the Committee at their own expense, and for the submissions of rehabilitation committees and other public societies and organizations which have taken an interest in the Committee's work in various ways.

A printed copy of the evidence taken is appended.

All of which is respectfully submitted.

W. A. TUCKER,
Chairman.

MINUTES OF PROCEEDINGS

TUESDAY, December 11, 1945.

The Special Committee on Veterans Affairs met in camera at 8.30 o'clock p.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Ashby, Baker, Benidickson, Croll, Emmerson, Gauthier (*Portneuf*), Gillis, Green, Harris (*Grey-Bruce*), Herridge, Kidd, Lennard, McKay, Merritt, Mutch, Pearkes, Probe, Tremblay, Tucker, Viau, Winters, Wright.

The Committee proceeded to consideration of its seventh and final report. It was agreed that the following recommendations be included in the report:

1. That in order to facilitate the work of the special committee on Veterans Affairs to be appointed next session, a small inter-departmental committee be set up to study the items still to be dealt with and prepare reports for submission to the Special Committee;

2. That the Governor in Council extend the benefits of veterans' legislation, where the circumstances warrant, to certain classes of persons such as supervisors in the auxiliary services, etc., whose claims the Committee has not had an opportunity to examine;

3. That the Department of Public Works be urged to allot proper office accommodation to provide for the needs of the Departments of Veterans Affairs and Labour;

4. That immediate consideration be given to making permanent certain positions in the Department of Veterans Affairs that are permanent in their character and were advertised by the Civil Service Commission as permanent positions in competitions 45-1100 to 1130 in June last.

At 10.15 o'clock p.m., the Committee adjourned until Wednesday, December 12 at 10.30 o'clock a.m.

WEDNESDAY, December 12, 1945.

The Special Committee on Veterans Affairs met in camera at 10.30 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

Members present: Messrs. Benidickson, Bentley, Brooks, Croll, Emmerson, Gillis, Green, Herridge, Kidd, McKay, Moore, Mutch, Probe, Tucker, Wright.

Consideration of the final report was resumed.

It was agreed that the Committee recommend that consideration be given by the Governor in Council to increasing the rates set forth in Parts 2 and 3 of the "Schedule of Rates" to the Post-Discharge Re-establishment Order.

On motion of Mr. Brooks the report, as amended was adopted.

On motion of Mr. Croll, it was ordered that all submissions relating to matters not considered by the Committee be printed as an appendix to the Minutes of Proceedings and Evidence.

At 11.00 o'clock a.m., the Committee adjourned sine die.

A. L. BURGESS,
Clerk of the Committee.

SUBMISSIONS ON MATTERS NOT CONSIDERED BY COMMITTEE

Due to the shortness of time at its disposal and the magnitude of its task, the Special Committee on Veterans Affairs was unable to deal with a number of problems falling within the scope of its order of reference. When it held its last meeting on December 12 it had before it drafts of three important bills; one to amend The Pensions Act, another to amend The War Veterans Allowance Act and the third to grant certain of the benefits of veterans' legislation to former members of various auxiliary services. This appendix to the Committee's Minutes of Proceedings and Evidence is a compilation of the submissions made by veterans' organizations and other interested parties, which have not been discussed in Committee, or on which no conclusion was reached. Many of these have been published in the record; others are now printed for the first time.

In this compilation the submissions have been grouped by subjects and this has necessitated extracting portions of the briefs of The Canadian Legion and of The National Council of Veterans Associations, in order that the various representations may appear under the relevant headings. For the sake of clarity, however, these two briefs have been printed in full at the end of this volume. The text of each submission is printed on the left hand page, and on the opposite page a running index giving the page in the minutes where it is to be found and references to evidence heard or important discussions.

A. L. BURGESS,
Clerk of the Committee.

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THE VETERANS' LAND ACT

Although a bill to amend this Act was reported to and subsequently passed by the House, several proposals were deferred for further study. The following submissions were received:

Canadian Legion:

Co-operative Purchasing

The Canadian Legion desires to make representations on behalf of a growing number of veterans who have been giving thought to co-operative purchasing of farm machinery and operating farms on a settlement basis. At the present time such co-operative efforts are not permitted under The Veterans' Land Act and the Legion urges that the necessary provision be made.

In support of this proposal the following arguments are advanced:—

1. That the cost of farm machinery to soldier settlers would be reduced.
2. That voluntary co-operative efforts have long been a factor in Canadian rural life, particularly in the western provinces, from where these proposals mainly emanate.
3. That co-operative planning and action has now become a factor in Canadian rural economy and from past experience it is not necessarily an indication that veterans of this war would not make a success of their venture; rather experience in the past suggests that new approaches to settlement problems should be made.

Equitable Treatment to Men Owning Land

The present position of men who own their own farms who secure a loan under The Veterans' Land Act is that they not only do not receive their re-establishment credit but must pay their loan back in full, whereas men purchasing land secure a substantial rebate on the loan. We do not regard this as fair treatment for the veteran owning a piece of land and the Legion recommends that the Act be changed to enable settlers in this class to receive the same consideration in respect to their loans as men who purchase their farms from the board.

A further complaint made by these men is that, while they can borrow \$2,500 for stock and equipment, they are required to repay every penny thereof; whereas a soldier settler who purchases a farm costing not more than \$4,800 eventually receives his stock and equipment without being required to make repayment. On the face of it, the different treatment of these two classes of settlers is considered to be inequitable and the Legion urges that the man who borrows to farm land he already owns should be given the same treatment as the man who purchases a farm from the board.

Canadian Legion, Aylsham, Sask., Branch:

Whereas under the Veterans' Land Act, 1942, Chap. 33, Section 13, whereby advances made to veterans on land owned by a veteran the subsidy section of the Act does not apply, we feel that this is an injustice and discrepancy to those veterans.

Therefore be it resolved that we the Aylsham Branch Canadian Legion request the Federal Government to amend the Act and make the subsidy feature of the Act apply on the same basis as it applies to all others who avail themselves of the benefits of the Act.

Printed at p. 288

See also discussions on War Service Grants Act, pp. 537, 545 and report of sub-committee p. III Minutes of Proceedings, March 29.

Printed at p. 289

Discussion and evidence G. Murchison, W. S. Woods, pp. 632, 657, 778, 783.

Frank C. Latta, Moose Jaw, Sask.:

(Extract from letter dated Nov. 12, 1945)

Little hope however was held out that a man . . . with three-quarters of land would be considered for any further amount and . . . a man who does qualify for more land gets no help unless he wishes to take a loan on his present holdings and, failing this, he gets neither priority nor discounts on any machinery that he buys to start up his farm again. My main point is that even if it is considered that a man already owns sufficient land this should not keep him out of all benefits under the Act. To replace his machinery that he sold at sacrifice prices he should be able to qualify for the equipment and machinery assistance and get the write-off and this would automatically give him priority on his orders for machinery and also the discount . . . The companies have stated that there is definitely no priority save to those who qualify under the Act.

Municipality of Sarnia, No. 221, Holdfast Sask.:

Resolution moved by E. H. Barss, Dilke, and seconded by M. Boehm, Holdfast:—

Whereas there has been discrimination against the settling of returned soldiers within the boundaries of the R.M. of Sarnia No. 221;

Whereas the Regional Office at Regina of the Veterans' Land Act refuses to make grants to Veterans settling within the Municipality of Sarnia No. 221;

Whereas the ratepayers of the Rural Municipality of Sarnia No. 221 are convinced that the land is suitable for farming, with prospects of any average return on moneys invested over a period of years;

Whereas grants have been made to veterans to open businesses within the municipality;

Therefore, be it resolved that the ratepayers of the R.M. of Sarnia request the Minister of Veterans Affairs to have the discrimination against this district discontinued and that veterans wishing to settle within the municipality be given the land and farm equipment grants to which they are entitled.

Carried unanimously.

Resolution moved by E. H. Barss of Dilke and seconded by J. Schroeder of Chamberlain:

Whereas veterans who purchase land and settle on it are given a grant of \$1,200 for purchase of stock and farm equipment;

Whereas the grant of this \$1,200 is written off after a period of years of successful farming;

Whereas many veterans are unable to purchase land due to its high value;

Whereas many veterans are able to rent land;

Therefore, be it resolved that the Minister of Veterans Affairs alter the Veterans' Land Act in order that veterans who rent and enter upon farming as a full time occupation, be entitled to receive the \$1,200 grant for stock and farm equipment.

Carried unanimously.

Evidence G. Murchison re priorities p. 750.

R.C.N. Wireless Station,
Aldergrove, B.C.,
31st October, 1945.

A. W. COWLEY, Esq.,
Executive Director,
Citizen's Rehabilitation Council,
Vancouver, B.C.

DEAR MR. COWLEY,—Very many thanks indeed for your kind interest in the rehabilitation problems of those wishing to re-enter the fishing industry on this coast. The following are the salient points at issue as they appear to me as an applicant:

1. The possibility of Veterans being given some preference to obtain Service craft now being disposed of through War Assets Corp'n., is a big step in the right direction. However, it must be borne in mind that the number of such boats which would be both suitable in type and sound for the heavy work required would not exceed fifty at an outside estimate.

2. Is the Department aware of the importance of having boats available for the commencement of the next Salmon Trolling season in January or February? If so steps should be under way now to embark upon a building programme of a further fifty 36 or 38 foot craft for delivery by that time. (No figures *re* the number of applicants are available to me, but I submit the number indicated as conservative.)

As to the commencement of the trolling season: There is no point in waiting until the "rush season"—July-August—before trying out a new boat and gear. With an early start at Winter fishing on the West Coast of Vancouver Island, the fisherman is given the opportunity of coping with any defects and necessary adjustments attendant upon a new vessel, and should be able to make his entire season's expenses before July. From then on the clear profit is made.

3. What is the Department's appreciation of the cost of a 38 foot troller with the following minimum equipment:—

*High Speed Gasolene Engine with Reduction Gear, types as made by Buick, Chrysler, Gray, etc., Compass, Anchors and Ground Tackle, Six Spool Gurdies, Cocopit Controls, Lines, lead and spoons, 150 gallon Fuel Tanks and 50 gallon water Tank, Fire Extinguishers, Galley Stove, etc.

I am discussing a Troller as it represents a good average one-man boat. Gill-netters would be a little less expensive and Halibut Boats more so. My query is prompted as it is noted that only \$1,200 is now allowed by the Department for such purchases. Yet a fisherman may be granted up to \$4,800 for property and house. I submit that, were these figures reversed, the fisherman would be able to earn an income that would enable him to support his family and to defray the Department's grant in five years. As it now stands, the arrangement is a sheer waste of money. For \$1,200 plus my own labour, I can get together a comfortable home on waterfront property up this coast, well suited as a base of operations. Land values away from large centres are still very reasonable indeed. However, no suitable craft can be purchased for \$1,200 to-day. Of course, it may be the Department's intention to build and equip such a boat and turn it over to the Veteran for this nominal figure.

* Reference first item of Para. 3. Mention is prompted as it is noted that the Canadian Legion Text Book on the subject of Fishing devotes much space to the merits of the Two Cycle Engine which, to my knowledge was outmoded early in the last war, 1914.

A case in point is the recent sale of "Fairmile" M/L's which cost up to \$250,000 each to build and were sold to non-service persons by War Assets Corp'n., for \$3,000. Careful investigation might be indicated.

4. This letter is of necessity lengthy. But the matter is urgent as I will leave the Service before the end of this year, and thereafter intend to take over a Salmon Troller. The necessity of spending months in the interim as so many Veterans are now doing is not apparent. I am not asking anyone for a job. Merely trying to return to my former occupation, a basic industry of this Province. I have some savings toward the project, but cannot finance the whole thing myself.

Again thanking you for your keen and much appreciated interest,

Yours very truly,

Signed: C. R. SANDEY,

Lieut. Comdr. R.C.N.V.R. (Temp).

Director Soldier Settlement and Veterans' Land Act:

OTTAWA, November 24, 1945.

Mr. A. W. COWLEY,
Executive-Director,
Citizens' Rehabilitation Council of Greater Vancouver,
524 West Pender St.

DEAR MR. COWLEY,—Further to my letter of November 20th, may I give you this Department's comment in regard to the views expressed by Lt. Commander C. R. Sandey.

You will realize that the matter of priority in obtaining surplus vessels is not within the jurisdiction of this Department. The disposal is handled through War Assets Corporation and I believe that you have had several discussions with their Vancouver office as to policy in this regard.

Dealing with Lt. Commander Sandey's second question, thus far the degree of interest in commercial fishing by veterans in B.C. is quite limited so far as the Veterans' Land Act is concerned. Up to the present time only 15 veterans have been issued with qualification papers under this heading in B.C., as compared with 76 on the Atlantic coast. For this reason it is not felt that a situation exists which would justify the Department in arranging for the manufacture of a substantial number of fishing craft.

It is difficult to give a precise answer as to the cost of the craft and equipment as specified in the third question raised by Lt. Commander Sandey. It is estimated, however, that the cost is approximately \$2,500 for a 38 foot trawler. Gillnetters of the type Common to Pacific coast waters before the war cost upwards from \$1,000 depending on the amount and quality of equipment.

On the general question that \$1,200 is insufficient to properly equip a commercial fisherman, this argument does not hold on inland waters or for the inshore fishermen on the Atlantic seaboard. It is also argued and agreed that \$1,200 is not sufficient to fully equip every farm, but it is a fact that if the veteran meets the very modest terms of agreement relating to his home, whether he be farmer or fisherman, the Act makes provision for a gift of \$1,200 worth of equipment, either farming or fishing equipment. Therefore, there is a potent inducement to the veterans to subscribe whatever additional amount is necessary to meet his individual needs.

It is also observed that the Act makes provision that two commercial fishermen established under the Act may pool their grants of \$1,200 and thus acquire a craft which would substantially meet the requirements of the type referred to by Lieut. Comdr. Sandey provided, of course, the veterans concerned are able to agree and work with each other.

Yours very truly,

G. Murchison

514 McKinnon Bldg.,
19 Melinda St.,
Toronto, Ont.,
Nov. 20, 1945.

The Hon. Ian Mackenzie,
Dept. of Veterans Affairs,
Ottawa, Ont.

Dear Sir:—

Please allow me to bring to your kind attention a feature which would be of great benefit and a morale booster to discharged servicemen who were prospectors and held Dominion mining lands when war was declared.

While the Department of Mines have extended every courtesy and consideration to all such servicemen prospectors by exempting them from doing the required assessment work until six months after their discharge: thus maintaining their unpatented mineral claims in good standing I believe it would be a noble gesture on the part of our Government if all servicemen who served two or more years be granted a patent for such claims.

This will afford an ex-serviceman a potential asset and facilitate the marketing or the raising of capital to develop such claims, whereas, six months after his discharge, if a serviceman is unable to do the required representation work his claims would automatically lapse and become open for re-staking by anyone—even if the new staker has never served in the armed forces.

With this suggestion I am sure you would receive full co-operation from Mr. R. A. Gibson, Director of Mines and Resources, to whom I am indebted for many courtesies, being myself a discharged serviceman.

Your kind consideration and effort in this matter shall be greatly appreciated by many a veteran.

Yours faithfully,

(Sgd.) John A. Morie.

THE CANADIAN ASSOCIATION OF REAL ESTATE BOARDS BRIEF ON VETERANS' LAND ACT

Prepared for submission to the Parliamentary Committee
on Veterans Affairs

Objections to Clause 33 of the Veterans' Land Act by the Canadian Association of Real Estate Boards and all other informed Real Estate Brokers throughout the Dominion are based on the necessity for a Vendor taking an Affidavit, clause 3 of which reads as follows:—

No person, firm or corporation has collected or attempted to collect from me, nor been paid by me, nor, as far as I am aware, has any person collected or attempted to collect from any person, whether interested in the land to which such conveyance relates or otherwise, or charged as against any person, or been paid by any person, any fee or commission or advance of price for services rendered in the sale of such land to the Director, whether for the finding of a buyer or otherwise.

For the past few years various Real Estate Brokers throughout the Dominion and particularly the C.A.R.E.B. have diligently sought reasonable explanations as to why the Act should exclude payment of commission by the Vendor on the sale of Land, and why a recognized profession the services of which have been used with satisfaction many times by the present Government should be legislated against as in this instance. To date, in the opinion of organized Real Estate Brokers, no explanation has been given which can be construed to be reasonable.

Mr. Gordon Murcheson, in reply to a letter regarding the matter from the President of the Vancouver Real Estate Exchange, defended the insertion under question by saying that it was to prevent the operation of unscrupulous agents, who doubtless would endeavour to reap an easy harvest and secondly to provide an effective safeguard against Administrative Officials being exposed to suspicion that they have a personal interest in the land transactions passing through their hands.

The director of the Veterans' Land Act Department feels that real estate agents would bribe officials of his Department. Assuming the cost of the farm was \$4,000, and the rate of commission 5 per cent, the Vendor's agent would receive \$200; so that surely the Vendor, who is receiving \$4,000 without an agent's commission to pay, would be in a far better position to bribe the departmental officials than would be the agent who is only receiving \$200.

The director also made a point that agents would obtain exclusive listings for all or nearly all the farms in a given area. This, we submit, would be a task; even if it were possible to persuade all the farmers in the area to list their farms exclusively, and that no agent or agents could afford the time necessary to accomplish this task. For example, let us assume that the Department is going to buy \$30,000 worth of farm land within a twenty-mile radius of Ottawa and the commission on this would be \$15,000. There are nearly fifty real estate agents in Ottawa, and let us assume that they all dropped their work and undertook the above mentioned task which, even with them all working, would take at least several months to accomplish. They would each get \$300.

Printed at p. 639.

Evidence of representatives of Canadian Association of Real Estate Boards:

E. N. Rhodes, pp. 837, 846, 877.

John P. Roberts, pp. 838, 881.

Kennett Lyle, pp. 843, 881.

Col. E. J. Cleary, pp. 851, 879.

G. Barrett-Hamilton, p. 853.

Evidence G. Murchison, pp. 708, 867.

It is incontestable that the qualified Farm Realtors of Canada have access to more listings and reliable information about farms than the Department could possibly have, and are able thereby to reduce the time and cost to Veterans in finding suitable properties for their requirements.

It is most important to consider that the Veteran would have access to listing files now closed both to him and to the Veterans' Land Act Department. These lists which would be of great benefit to him are at present not available to him because of Section 33 of the Act.

At present there are no facilities provided by the Veterans' Board to take the purchaser to the land. Transportation would be provided by the Vendor's Agent.

It deprives Veterans of the services of experienced advice. Most Real Estate Agents, Members of this Board in many cases being returned men from the last war themselves, would only be too glad to assist the Veteran, and are anxious to do so.

General dissatisfaction is being expressed by Veterans over the limitations placed on them by the Government. In many cases the only way they can find land is by going to a Real Estate Agent who is advertising, only to be told that, in accordance with the law, they cannot deal with them. This is proven by the number of men who have been settled on the land already. In the Regina office, which approximately takes in the south of the province below Township 22, only about 45 men have been settled on land, that is the money paid out. In addition, the department have bought another 56 farms, which, so far, have not been given to returned men. These are the approximate figures up to October 15, 1945. We have not got the figures on the other three offices in Saskatchewan, but we presume they would work out in the same proportion as Regina. In view of the fact that this is a farming province and the Veterans' Land Act was passed in 1942, it would seem to us that very few men in proportion to the number with farming experience who joined the forces from this province and who want to go back to the land, have been assisted. We contend that if the returned man was allowed to go to a reputable Real Estate Agent, many more would have been settled by now. Hundreds of farms have been sold during the last year to other than returned men, which might have been sold to the Veterans if they were given the same chance as ordinary civilians.

The Realtors of Canada stand as high in honour and ability as any profession in Canada.

The sons of many Realtors in Canada, and Realtors themselves, have given their lives for Canada.

No other profession has been precluded from serving the Veteran, and almost every item necessary for the farm bears a greater charge for services than does the sale of lands, which is generally 5 per cent. What is the profit on farm machinery, tractors, automobiles, stock, et cetera?

Being unfair to a legitimate business it is undemocratic.

Prevents the Government from getting advice from those who have had the experience.

Is unfair to the Veteran.

As land values are variable in each district, nobody has better knowledge of them than the local Real Estate Agent.

Would assist the Government in getting a better deal when buying. We contend that a Real Estate Agent could make a better deal than the Government buying direct.

When the Land Act was passed it was thought that V-J Day would not be for many years, and no doubt it was considered that there would be plenty

of time to settle the Veteran on the land. We contend that now, on account of so many men returning in a short time, *speed is essential*. The Veteran has to be found land during this winter if he is to be producing next year. We consider that the local Real Estate man, who knows the different farms and land, is the one to help, which he is prevented by the Act, as it is now, in so doing.

The Act, as before stated, is neither fair to the Veteran nor to the Real Estate Agent. The Veteran is compelled to find out the owner of land now by underhand methods, such as having somebody else go (not a Veteran) to the Real Estate man to find out particulars of a farm advertised, the Veteran then going to the owner direct. This is being done the whole time from the experience of Members of this Board.

One of the principal uses of an agent is the fact that he acts as a buffer between the Vendor and the Purchaser, and thus enables the Vendor to obtain a reasonable price and the Purchaser to buy at a reasonable price. Usually, when the Vendor and Purchaser come face to face, both are reluctant to commit themselves, but they will each be more frank with the agent. It is a recognized fact that large buyers and sellers of property habitually employ agents.

The Vendor is amply protected from the exploitation of unethical real estate agents by the fact that the farm has to be first valued by the officials of the Veterans' Land Act, and also soil tests, etc., made by competent authorities.

The allowing of agents to list farms and show them to veterans would automatically add trained personnel who could show veterans farms and thus speed up the placing of returned soldiers.

Dated this 12th day of November, Hamilton, Ontario.

CHARLES E. PURNELL, *President*,
Pigott Building, Hamilton, Ont.

E. W. C. SHARPE, *Executive Secretary*,
414 Bay Street, Toronto, Ontario.

Canadian Legion:

The Legion believes that real estate agents could provide information that would be valuable to veterans wishing to take advantage of The Veterans' Land Act, if real estate men view Veterans' Land Act settlement merely as an opportunity to promote business for profit then administrative complications will develop.

The Legion believes it would not be wise to encourage real estate men to develop a clientele from among veterans. They could swamp regional offices with applications, which under present conditions could not be dealt with. It has already been found impossible to settle all of those who have applied because of scarcity of materials, labour, farm equipment, livestock, etc.

The Veterans' Land Act represents a rehabilitation scheme, which involves the purchase of land by the government for veterans. Any additional expense incurred, however, must be borne by the veteran, even if included in the vendor's price, and the commission charged for agents' services, while paid by the vendor, will be included in the price charged. The Legion is definitely opposed to veterans being called upon to pay any more than is necessary, knowing from experience with the old Soldier Settlement Act that the additional \$150 to \$200 debt may have to be carried, with interest, for many years.

On the other hand, if real estate men can materially bring down the cost of settling veterans on the land because of some special knowledge, facility or other qualification, then no one should object to their services being

utilized. If they can make available facilities that come within the scope of the Veterans' Land Act, both as to quality and price, they no doubt would assist not only the veteran but also the Veterans' Land Act Administration.

The Legion believes that the services of real estate men could be used if they could—

- (1) Regard their operations in connection with the Veterans' Land Act as assisting the government in administering a veteran rehabilitation measure and not as an ordinary commercial service;
- (2) Regard the veteran purchaser's interest as paramount;
- (3) Provide this service without charge, or if not, arrive at a standard scale of charges to be applicable throughout Canada that would not materially affect the cost to the veteran;
- (4) Control those members of the profession that attempt to inflate values or take undue advantage of the veteran purchaser;
- (5) Reach an agreement with the Veterans' Land Act Administration on a limited number of firms with whom the administration will do business.
- (6) Deal only with veterans entitled to benefit under the Act who have been certified by the Veterans' Land Act Administration as being suitable for operating a farm or taking up a small holding;
- (7) Enter no deal with qualified veterans before securing the approval of the Veterans' Land Act Administration.
- (8) Consult frequently with District Offices of the Veterans' Land Act to prevent the overloading of the Administration.

The success of the Veterans' Land Act settlement does not depend on the number of men that apply, but on the number that can be properly equipped and effectively placed on suitable properties. It is the Government's responsibility to see that this is done. There is no place for high pressure selling or inflated values in the scheme and Section (33) is in the Act to guard against such.

The Legion is opposed to the removal or modification of Section (33) unless agreement could be reached with the real estate profession on the points outlined herein, and some statutory provision made to make them effective.

The following proposals were put forward by committee members and the Chairman gave his assurance that an opportunity would be granted for full discussion at the next session:

To introduce a provision similar to that contained in The War Service Grants Act extending the benefits of the Act in certain cases to veterans who have been discharged for misconduct;

To delete or amend section thirteen; and to relate the amount of the annual repayment by the veteran to the general level of farm prices.

THE WAR SERVICE GRANTS ACT

A letter was received from the Rev. Allan H. Ferry of Owen Sound, Ont., urging that the re-establishment credit be granted to veterans receiving benefits under the Veterans' Land Act.

National Council of Veteran Associations in Canada:

2. War Service Gratuity

We strongly recommend that war service gratuity and re-establishment credit should be computed for the period of service dating from enlistment to the date of discharge for rehabilitation. (Treatment as defined in P.C. 4465 Class 2, paragraph 1.)

Printed at p. 472.

Evidence J. C. G. Herwig, p. 861.

It is recognized that in some cases treatment is completed on strength, in hospitals conducted by the armed services. In other cases, a limited portion only of the hospital period is spent in armed services hospitals before discharge from the service to a Department of Veterans Affairs hospital for completion of treatment. Present practice is to compute war service gratuity and re-establishment credit only for the period dating from enlistment to date of discharge from the armed services.

VETERANS' REHABILITATION ACT CANADIAN LEGION

In the brief presented to the Parliamentary Committee on October 26 last, the Canadian Legion made the following recommendations:—

(1) *University and Vocational Training:*

The Legion desires to point out that any veteran who selects vocational or university training has the cost deducted from his re-establishment credit, and recommends that this training be made available without any charge against his re-establishment credit.

(2) *University and Vocational Allowances:*

The existing scale of allowances for university or vocational training is inadequate, especially in large centres of population. The lack of proper provision for food and shelter and the cost of books and other educational supplies in many cases defeats the purpose of this legislation, and the Legion recommends an increase in allowances.

It has to be recognized that providing education or vocational training for adult veterans presents a different kind of problem than educating youths who are still under the control of their parents. Few boys who left school to enlist, and returned as men, will be able when their education or training is complete, to return to the family for support or for financial assistance as would normally have been the case had their education not been interrupted. This condition is recognized in the rehabilitation program by the payment of allowances during the training, tuition fees, etc. However, for many there will be a period of adjustment to civil occupation, after education or training has been completed, during which sustenance and working capital will be required.

For instance, in the professional field, dentists and doctors will need equipment. A mining engineer may have to move himself and his family considerable distances to set up in business or take employment. Many will have to postpone re-establishing a home. Tradesmen may have to outfit themselves with tools before they can practise their trade. It may be that this situation could be taken care of by making credits available on a repayment basis, but the Legion believes that a cushion will be necessary in many cases between completion of education or training and the final re-establishment in civil life.

If it is the intention of the Government to abide by the principle that the veteran shall be assured of that place in civil life which he might reasonably be assumed to have attained had he not enlisted, then it seems clear that the postponed education or training because of war service should not be charged against his credit.

Under agreements made with the provinces, the federal government participates in the cost of apprenticeship training of young men who have left school, at no cost to themselves. Agreements have also been made with some provinces to re-train civilian war workers, at no cost to themselves and with the provision of living allowances. While it is true that the veteran receives his education or training without cost to himself, yet it is not complete re-establishment.

Printed at p. 472.

Printed at p. 979.

Evidence J. C. G. Herwig, p. 963.

It may be desirable to endeavour to even up as much as possible the rehabilitation benefits to be made available to veterans, yet such cannot be determined on a monetary basis. The young man who decides to devote one to five years in preparing himself for a useful vocation is making an additional sacrifice for future benefit to himself and his country. For those who elect to follow this course some provision should be made for the period between the termination of education or training and establishment in his profession or occupation, in the same manner that a veteran qualified in a profession or trade whose training or education was not interrupted by war service is assisted to re-establish himself by use of the credit.

Allowances

The Legion believes that no veteran students should find themselves in the position of having to discontinue education or training because of inadequacy of allowances. Many young men are now utilizing their credits to augment their living allowance in the larger centres of population, and the difficulty may not become immediately apparent, but as and when education or vocational training extends into the third or fourth year the problem will become acute unless there is a very substantial reduction in the cost of living.

The inadequacy of the present allowance was recently recognized in respect to married men who were obliged to maintain two homes. Nevertheless, no provision has been made for emergency expenses, such as confinement for a birth. Room rents and the cost of meals in some of the larger universities leave the student with no margin. Reports from all universities give high praise to the manner in which veteran students tackle their studies in their desire to complete them with high standing, as rapidly as possible. The purpose of this benefit must not be defeated because of inadequate allowances. The possibility of earning to augment income appears to be slight and, in any event, allowances may be affected by earnings. A reasonable allowance in congested areas would be \$75-\$80 per month for a single man, and \$120 per month for a married man, under present conditions.

The problem might be dealt with by the establishment of a fund similar to that administered by the Dependents' Board of Trustees, but the emergency needs of both married and single persons would need to be considered.

Out of Work Benefit

Section 5 of the Veterans' Rehabilitation Allowances Act introduces as a principle in determining eligibility for the out of work benefit certain paragraphs of Section 43 of the Unemployment Insurance Act, which read in part as follows:—

"43. An insured person shall be disqualified for receiving benefit—

(a) if he has lost his employment by reason of a stoppage of work, which was due to a labour dispute at the factory, workshop or other premises at which he was employed, except where he has, during a stoppage of work, become bona fide employed elsewhere in the occupation which he usually follows, or has become regularly engaged in some other occupation, but this disqualification shall last only so long as the stoppage of work continues, and shall not apply in any case in which the insured person proves

(i) that he is not participating in, or financing or directly interested in the labour dispute which caused the stoppage of work . . ."

It is clear that recently returned veterans are quite helpless in any stoppage of work due to strikes. During the war the Government encouraged in every way possible the setting up of collective bargaining. The veteran could have had no hand in the development of these unions and in certain types of employ-

ment had no alternative but to join the union concerned in order to secure employment. To deprive him of out of work benefits, therefore, seems unreasonable and unfair. As the Act now reads, a veteran who joins a union in order to secure employment, and works only a few days before a strike is declared, is deprived of out of work benefit at a time when he most needs it. A recent enquiry made into the situation at Windsor disclosed approximately some 1,800 veterans registered as unemployed, some 400 of whom were on unemployment insurance benefit and only 150 of whom were receiving the out of work benefit.

The Legion submits that the provisions of Section 5 of the Veterans' Rehabilitation Allowance Act should be modified to enable those veterans to receive out of work benefits who find themselves out of employment due to strikes which they could have had little or no influence in bringing about.

Ottawa, Ontario, December 3, 1945.

Canadian Legion in U.S.:

Out-of-Work Benefits

An administration problem undoubtedly arises in connection with extending these benefits to the United States at the present moment. However, there is a bill at present before the United States congress, which has already passed the United States senate, through which the Canadian government could obtain the co-operation of the United States in meeting this problem. The United States government has an office of the United Unemployment Service in convenient locations throughout the country through which it handles unemployment matters, and these benefits might be administered through that service. We suggest that Canada go definitely on record as being desirous of extending these benefits to the United States and we feel sure that such action will go a long way towards hastening the passage of the bill by the United States House of Representatives.

Awaiting Return Benefits

The passage of the bill referred to above would make possible the administration of the re-establishment credit so that a veteran might use it to go into business with, and would also make it possible to administer the awaiting returns benefit. The United States government is administering similar items for its own veterans now.

THE WAR VETERANS' ALLOWANCE ACT

Canadian Legion:

WAR VETERANS' ALLOWANCE ACT AND DUAL SERVICE PENSION

Of all measures benefiting return men the War Veterans' Allowance Act, providing for unemployability and for premature old age, has been the most generally satisfactory piece of veteran legislation yet placed on the statute books.

At present the benefits of the War Veterans' Allowance Act are confined only to those who served in an actual theatre of war. The dual service pension, however, provides for a similar allowance to men who have served in both the first and second great wars, regardless of whether or not they had service in an actual theatre of war in either conflict.

We, therefore, have the anomaly of provision being made for men who did not serve outside Canada in either war, while thousands of men served overseas in the first great war are barred because service in England is not considered service in an actual theatre of war.

Printed at p. 336.

Evidence Duncan Rice, p. 338.

There is, of course, no veteran legislation in Great Britain comparable to the war veterans' allowance, mainly because social legislation was in existence prior to the great war and was readily adaptable to meet post-war conditions. We feel that it would be in the nature of a reciprocating measure if the benefits of the War Veterans' Allowance Act should now be made available to Imperials in this country who have a reasonable period of residence. Such reciprocal arrangements are in existence between some dominions of the British Commonwealth. There are strong indications that many Canadians will remain in Great Britain, in which case the extension of war veterans' allowance as a reciprocal social security measure would be all the more appropriate. The Legion recommends to this committee the inclusion of Imperial ex-service men under the War Veterans' Allowance Act.

Summarizing the effect of the veterans' legislation to which we have just referred, the following are excluded from the benefit of the provisions:—

- (a) Men who have served in the Imperial forces in the South African War but were not domiciled in Canada prior to such service although they have lived in Canada up to 45 years.
- (b) Men who have served in the Imperial forces in the first great war but were not domiciled in Canada prior to such service although they have lived in Canada up to 25 years.
- (c) Men who served in a theatre of actual war in the Imperial forces during the first great war and have served in the Canadian forces in the present war within the western hemisphere.
- (d) Widows and dependent children of these men are also excluded from benefits.

A Higher Income Limit—W.V.A.

The War Veterans' Allowance Act, while it provides for a maximum allowance to be paid to veterans that can qualify, also permits additional income from casual earnings or from other sources. The maximum over-all income possible at present, including the allowance, is \$515 per annum for a single man, and \$880 per annum for a married man.

The Legion urges that the maximum income permissible under the Act, including casual earnings and income from other sources, be raised to the equivalent of a 100 per cent pension, namely, \$75 per month, single, and \$100 per month, married.

Children's Allowance—W.V.A.

The Legion urges that provision be made for the continuation of children's allowances beyond the age of 21 in cases of chronic invalidism.

Canadian Legion in U.S.:

War Veterans Allowance

The Canadian veteran in the United States is excluded from obtaining this allowance. The Act which grants it requires him to come to Canada and be resident there for six months before he can apply for it. This requirement is a definite exclusion. The Canadian Immigration Law will not permit a person who is indigent to enter Canada and obviously only a person who required the pension would apply for it as there is a means test. If a veteran should manage to get into Canada irrespective of the Immigration Law he would be faced with the problem of subsistence for the six months required residence period.

This allowance is of particular importance to the older Canadian veteran resident in the United States. When granted it will only apply to a very few who can qualify under the Act. The cost to Canada would be small.

Printed at p. 293.

Printed at p. 337.

7. Yet, there has been a difficulty experienced by previous Parliamentary Committees in extending the W. V. A. to British-Canadian veterans and ex-service women—an Act which came into being September, 1930, applicable in benefit only to British-Canadians domiciled in Canada prior to the last Great War and Canadian veterans who saw service in an actual theatre of war—only. The Canadian who did not serve in an actual theatre of war is still excluded.

8. The chief provisions of the W. V. A. are:—

1. To meet a condition of disability or inability to maintain themselves on the part of veterans who
2. Had served in the *First* Great War in a theatre of actual war or—
3. Who are in receipt of pensions for injury or disease incurred or aggravated during war service the war 1914-1918, or —
4. Who have accepted final payment in lieu of annual pension in respect of such disability rated at 5 per cent or more of total disability.
5. Age—condition and circumstances of the applicant also enter the picture.

9. The above material points are all Canadian in legislation. The very provisions we, as British-Canadian veterans are, and have been seeking, for at least the past fifteen years. We, as British-Canadian veterans are not unmindful of this, therefore, the Federation of B.C. Veterans, respectfully ask that, by solemn resolution and submission to the first Parliamentary Committee sitting at the earliest possible date:

1. The Dominion Government give expedient extension of the benefits of the W.V.A. of 1930 to ALL Canadian veterans and ex-service women regardless of where they served—providing such veteran has received an honourable discharge.
2. That the Dominion Government give expedient extension of the W.V.A. to all British-Canadian Veterans and ex-service women who have been domiciled in Canada prior to, and since September, 1930.
3. That the Dominion Government give expedient employment to reciprocity—on the basis of future immigration to:
 1. The Unemployment Insurance Act, clause 99.
 2. Future National Health and Welfare rights and benefits thereunder.
 3. Widows, orphans and invalids pensions.
 4. Workmen's Compensation.
 5. Contributing and non-contributory old age pension.
6. British Health Insurance Legislation makes it possible with other Dominions of the British Empire to secure continuity of insurance of persons who, being insured in Great Britain are, on becoming resident and unemployed in another Dominion with which such an arrangement is made.
4. That the Dominion Government make note there will not be more than 5 per cent British-Canadian veterans and ex-service women at present eligible for the W.V.A.

(Sgd) STEPHEN G. JONES,
President,

Federation of British-Canadian
Veterans of Canada.

During the recent visit of the Hon. the Minister of Veterans Affairs to Vancouver, a delegation of Veterans representing The South African War, World War (1), and the present war, waited on the Hon. Minister and laid before him certain recommendations for changes in the present Pensions Act. Among these recommendations was one regarding The War Veterans' Allowance Act. We asked that this Act be changed to a—Good Service Pension, for all Canadian Veterans who have seen active service in any war in which Canada has taken an active part, on reaching a certain age. We also protested at what amounts to the pauperizing of all persons who receive benefits under the present Act.

The head of the delegation, Mr. Perry, offered the suggestion that the present War Veterans' Allowance Act, be altered to more or less conform with the Pension Act of the United States, dealing with Veterans of the Spanish American War.

The Hon. Minister in reply stated:—"that the present Canadian Pensions Act was by far the best and most liberal of any other country, including the United States."

Now if this statement of the Hon. Minister had been correct, it would appear that the Senior Canadian Veterans had little grounds for complaint. However, in regard to the treatment given by the United States to their Veterans of the Spanish War, and that given by the Canadian Department of Veterans Affairs to those who took part in the Boer War, and other Veterans who have reached a corresponding age, shows our Canadian Act in a very poor light.

For your information, Sir, I cite from an official publication issued by the United States Veterans' Administration, December 15, 1944. On page 33, it reads:—

Act of May 24, 1938, as amended by the Act of March 1, 1944. Under the Act of May 24, 1938 (public Law 242, 78th Congress), persons who have served 90 days or more in the Military or Naval service of the United States during the war with Spain, the Philippine insurrection, or the China relief expedition (Boxer Rebellion) between the dates of April 21, 1898, and July 4, 1902, both dates inclusive, and who have been honorably discharged therefrom, or who, having served less than 90 days, were discharged for disability incurred in the service in line of duty, upon reaching the age of 65 years may, upon making proof of such fact be placed upon the pension roll and entitled to receive pension at the rate of \$75.00 per month.

It will be noted that under the U.S. Act, only 90 days' service is required to qualify for the \$75.00 per month. It is only those with less than 90 days' service who have to be suffering from a disability. Nor does the U.S. Veteran have to make what amounts to a "pauper declaration", as in Canada, to qualify.

It is our belief, Sir, that when the members of the House of Commons passed the present Pensions Act, they were not fully aware of just what it meant. Nor do we for one moment think it was your intention to cast the slightest suggestion of a slur at those Senior Veterans whose greatest fault seems to be their age.

We beg to suggest that after reading this, our brief, you may see your way clear to remove certain parts of the present Act, and replace them by empowering legislation which will do away with the present dole features of the Act and bring it more in line with the decent and understanding policy of our neighbours to the South, to whose standards of wages and living we more nearly conform than to other countries thousands of miles away, who are living under standards which are not our standards.

We request, Sir, that after having given this "brief" your careful consideration, you will be good enough to let us have a reply in order that we may

column over this same route and fed them. They were recruited from settlers along the main line of the C.P.R. from Portage la Prairie to Swift Current, and were paid \$10 per day for man, team of horses with double box wagon, and were fed. The scouts and all mounted troops were paid \$5 per day for man, horse, saddle and were fed.

This was the most economical course for the Government of the day, as they could not buy and move to the North West Territories sufficient equipment required for transport at that period of development of Western Canada. They, therefore, called upon the early settlers to help them out, which they did, and troops and supplies were moved without delay to the scene of rebellion. The service of these men is now submitted for your sympathetic consideration, praying that they may be awarded the script referred to, and brought under the benefits of the War Veterans' Allowance Act.

Chapter 29 in awarding script and medals to the crew of the steamer *Northcote*, recognize the service of transport, and they were not armed or recruited direct by the Government of the day as the horse-drawn transport were, but were engaged and paid by a navigation company who were chartered by the Government of the day and could not have operated if the horse-drawn transport had not moved troops and supplies, which cleared the Saskatchewan river of enemy troops and permitted the boat to operate from Swift Current to Batoche. Also after the fall of Batoche they were enabled to operate on the north branch of the river as far as Battleford, and they were always under the protection of armed troops whom they were moving. We, therefore, submit that all transport should be treated on the same basis, and that the horse-drawn transport should be awarded the script as were the crew of the steamer *Northcote*, thus placing all on an equality.

The land script of that day was valued at \$1 per acre, and as the Federal Government have lost control of the land resources, we are asking for cash script of \$160 payable to the surviving members of the Transport who have proved their service, and been awarded the 1885 medal; a complete list being in the possession of the Awards Department of the Department of National Defence.

The Minister of National Defence under date of July 23, 1945, wrote me that he was advised by his legal officers that it would be necessary to pass a separate Act of Parliament to make this award, and that an Order in Council would not be sufficient.

We are advised by prominent lawyers here, who went through the period in question, and had first hand contact with conditions governing when Act 73 was passed, that they are of the opinion that the services of the transport were completely covered in that Act, and that the transport were fully entitled to the script asked for on an equality with the crew of the steamer *Northcote*. As opinion seems to be at variance, we are hoping that your committee in their wisdom will be in a position to make a ruling that will favourably settle these two issues in question as asked for.

As the Legion are behind this, you can easily see that it will have a mental effect in consideration of Government promises on rehabilitation of returning troops and that they may be looked upon with suspicion when veterans of 60 years ago are being discriminated against.

I am adopting this course of presentation of our case to you, in order to escape the heavy expense of presenting it in person, as we have no funds and are scattered throughout the province; but if you should require a personal appearance before your Board, we will try and arrange it. In the meantime I will be pleased to answer to the best of my ability, any questions this may cause to emanate from members of your Board, or yourself.

SEEBE, ALBERTA,
130 Internment Camp,
20 Oct., 1945.

General A. G. L. McNAUGHTON, C.B., C.M.G., D.S.O.

Dear GENERAL McNAUGHTON,—I am writing to you for your support in so far as you feel able to give it, to the provision of pensions for Veterans who served in both the war of 1914-1918 and the war of 1939-1945.

These men have for the most part passed middle age. Hundreds have got out of the army under recent regulations to take up civil jobs, only to find that they cannot hold them when they got them against the competition of the younger veterans.

These men have given an average of eight years in the service of their country, and in addition have come through the most severe depression in the history of Canada. They deserve a small pension, sufficient to support them in comfort in their declining years, without all the usual red tape and strings attached, as is the case with War Veterans Allowances and Old Age Pensions.

The booklet attached will explain what is asked for, and it sets out in a few pages the conclusions reached by thousands of dual service veterans within the service at authorized discussion meetings held in internment camps.

Yours truly,

HARRY MULLIN, Lieut.

(G. H. Mullin) Lieut., V.C., M.M.

No. 37 Guarding Coy., Seebe, Alberta.

10. Bearing all this in mind, the following proposal is therefore submitted as containing the minimum requirements which will satisfy the justice of the case. It is submitted, without apology or undue deference, as requests founded in justice and common sense require no undue humility to support them.

- (a) That a pension free of income tax and subject to cost of living bonus be granted to all Dual Service Veterans who are serving or who have served in any of His Majesty's Armed Forces and have been or will be honourably discharged.
- (b) That this pension be based on:—
 - (i) Service element (Basic)
 - (ii) Rank element
- (c) BASIC—\$6.00 per month for each completed year or part thereof of service in World War I and World War II.
 e.g. Private—One year's service World War I—\$6.00 per month
 One year's service World War II—\$6.00 per month

Total..... \$12.00 per month

Plus allowance for wife \$35.00

For one child under 16 12.00

Total..... \$59.00

shall have their service period totalled and shall be eligible for a service pension as in effect for the permanent force, subject to similar conditions that active service in war time shall be rated as double time.

We all realize that these men have in many cases had up to eleven years active service and that they volunteered to serve in the Veterans' Guard in Canada during the second great war on the urgent appeal of the government and the people of Canada. These men are being discharged from the Veterans' Guard at a time when they are 50 to 65 years of age and in many cases they will have little chance of taking advantage of re-establishment provisions. It is suggested that in all fairness these men should not be overlooked or penalized for having spent so great a portion of their active lives in the service of our country but should be eligible to receive a pension by right of such service.

FIRE FIGHTERS, SUPERVISORS IN AUXILIARY SERVICES, ETC.

THE COMPLETE BRIEF AND RESOLUTION OF THE CORPS OF CANADIAN FIRE FIGHTERS

RESOLUTION OF THE CANADIAN CORPS OF FIRE FIGHTERS

Whereas the members of the Canadian Corps of Fire Fighters, at the request of the Dominion Government, voluntarily agreed to serve for the duration of the war under disciplinary regulations and other conditions similar to the Military Forces to assist the United Kingdom in combating fires arising from air raids and did so serve under extremely hazardous circumstances;

That such members while serving were paid pay and allowance equivalent to those paid members of the Military Forces;

That such members are now entitled to civilian clothing allowance, transportation home, and benefits of the Reinstatement in Civilian Employment Act on ceasing to serve, and are eligible for pension in respect of disability or death on the same terms as members of the Military Forces and Hospitalization and treatment for a pensionable disability;

Now, therefore, be it resolved that in fairness to the members of the Canadian Corps of Fire Fighters, in view of the conditions of service, terms of engagement and basis of remuneration they be granted ALL the rights and privileges of the Military Forces.

FACTS CONCERNING THE CANADIAN FIRE FIGHTERS

The Corps was organized at the request of the British Government to the Canadian Government. It was composed solely of volunteers who volunteered 100 per cent for overseas duties, a fact that was not existent in the Canadian Active Army. We enlisted at a time when more English firemen had been killed than English soldiers. We travelled aboard troop trains and ships and acted as provost on board, being in charge of prisoners.

We were not allowed to resign but could transfer to any of the other services. We were under rules and regulations re pay and allowances, discipline, treatment and other such matters, the same as the other forces. We were forced to serve our officers in their mess and if we refused we were reduced in rank. We were forced to salute our officers also. Whenever we worked with the army, we saluted their officers also. We could be ordered to any part of Britain or to any ships at sea to do fire fighting, rescue or salvage work. We wore "Canada" shoulder patches.

We were stationed in the most precarious spots. The ports from which the invasion began. When things were not going right in 1942 and the chance of invasion was great, the Canadian Fire Fighters were, with others, chosen to remain at their posts while the civilians and units of the army would withdraw.

Printed at p. 479.

Printed at p. 359.

accept such treatment for the duration of the war when we volunteered, first: to go to the United Kingdom and aid in the defence of Britain, and secondly: in the Spring of 1944, to go anywhere on any battlefield to assist the Liberation Armies. We volunteered to do a job as necessary and as hazardous as any service. There never could have been an offensive without a defensive. The Canadian Corps of Fire Fighters were a part of that defence, in the cities considered the most important in Britain to defend, for it was from there our offensive began.

In volunteering to do the job we were best equipped for, men from Canadian Fire Departments answered the call of the Dominion Government, and accepted the Dominion Government's terms without question, just as volunteers in any other service. We offered our lives if necessary, our limbs and our health. Our term of duty was for the war's duration, or as long as required, just as the Armed Forces. We accepted comparable ranks and pay; the same allowance for our wives and families; we received the same treatment insofar as medical examinations, medical care, pensions, discipline, clothing, feeding, travel, respect, right down to the smaller items such as carrying Canadian Army cards, photographed and finger-printed by the Canadian Army, and receiving similar discharge certificates on discharge.

Throughout our service we accepted all the bitterness of war along with the other services; in peace time we were to be completely ignored and denied the benefits received by those other services.

Why had we been denied such rights and privileges?

Why had we been overlooked or ignored?

These were the questions we all asked, asked of every individual who might have had an answer. But there were no real answers. Everyone agreed that we should receive all of the good, as willingly as we had accepted the bad.

The Dominion Governments' denial of fairness and justice to the Fire Fighters not only evoked bitter disappointment in us, but also the firmness of mind to work and to fight, until our post-war lot is on a completely equal footing with that of the Armed Forces; until we too receive the recognition we honestly believe we earned when we left our homes, our wives and families, our jobs, and the safety of peace and plenty in Canada, and accepted the heart-aches, the loneliness and all the hazards and bitterness of war.

With that determination of purpose for justice and fairness, the members of the Canadian Corps of Fire Fighters began to organize in Great Britain. The Canadian Legion were contacted and immediately went to work for us. Our Corps Headquarters in London did likewise, and we formed our own Committee and collected contributions from our members to assist. But at that time all our own efforts had to be confined to enquiries.

Our first attempts at gaining satisfaction were made in Ottawa by a Fire Fighter returned to Canada on medical grounds. He had the sanction of the Fire Fighters overseas to represent us in attempting to gather all the information possible for our enlightenment. No concrete satisfaction was gained, but various opinions were all in our favour.

After the first suggestion by the Dominion Government that the Corps be repatriated, Britain's Home Office requested we be retained for further eventualities, and clearly indicated the high regard which they had for the efficiency and competence of the Canadians.

In October, 1944, it was finally decided to return personnel to Canada for discharge. When these drafts of men began arriving in Ottawa early in 1945, various and numerous enquiries were made; but it was intimated by our headquarters in Ottawa that our rehabilitation program was being taken care of, and that the prospects of satisfaction seemed excellent. There was still no concrete information available.

On arrival of Corps members in our various home towns—discharged—we were free to contact Members of Parliament, and any person or persons who

We have been led to believe that one of the reasons that we have been left out of so many benefits is that our corps consisted of all professional firemen. This is indeed a fallacy. We would not be far out in venturing a guess that at least 35 per cent do not come under said class. It is true that some of these members have been readily absorbed in Canadian Fire Departments, but their positions are rather doubtful as many municipalities have passed laws saying that only veterans may hold civil positions permanently, and as yet we are not classed as veterans. Is it any wonder these members feel rather bitter? A small number of our members were students who spent their leisure time taking Legion courses in the hope that if they worked hard they would benefit by the splendid benefits of the rehabilitation plan for vocational training. They have since learned that such is not the case.

Another reason for our exclusion, we have been told, is that we did not carry arms. We are of the opinion that our hose, branches and equipment should be classed as "arms"! True, they would not kill the enemy, but they were successful in "killing" his efforts to burn the British Isles. It once appeared in the Canadian papers that we might be issued with Bren guns for our trucks. (I believe this was after some of our boys had been strafed by a German plane.) Our members were eager for the day when this might happen but nothing came of it, and we were disappointed. Surely no one would deny that incendiaries and flame-throwers are valuable weapons of modern war? Then why should they say that the Fire Fighter, with his equipment, is not "armed"?

Although we were not separated from our profession, we were completely separated from our homes, our families, and our Country, doing our job at the request of the British Government to our Government. Can it be possible anyone could suggest that we do not need, or have not earned, the same respect and benefits the Dominion Government have granted other volunteers, and other personnel who have seen Active Service in her Forces?

Because of our completed job, because of our services and our sacrifices for Canada, we, the ex-members of the Canadian Corps of Fire Fighters, are requesting that the Dominion Government inaugurate legislation granting us recognition as the Fourth Branch of the Services—the term unofficially used by such officials as General LaFleche and the Right Honourable Vincent Massey in reference to us—complete with all rights and privileges, now, and in future legislation, concerning Canada's War Veterans.

REHABILITATION BENEFITS AND GRATUITIES, GRANTED TO MEMBERS OF THE ARMED FORCES, SHOWING COMPARISON TO COVERAGE OF CORPS PERSONNEL.

Clothing Allowance

ARMED FORCES

CORPS PERSONNEL

| | |
|--|--------------|
| Granted \$100 Civilian Clothing Allowance on Discharge, effective August 1st, 1944. | Same Benefit |
|--|--------------|

Transportation

| | |
|--|--------------|
| Entitled to free transportation to home, with travelling expenses, after discharge. | Same Benefit |
|--|--------------|

Compulsory Re-employment

| | |
|--|--------------|
| Entitled to be reinstated in former employment after discharge. | Same Benefit |
|--|--------------|

Transportation to Canada of Wives and Dependents

ARMED FORCES

CORPS PERSONNEL

Provision is made for the transportation of the wives and dependents to Canada of members who married overseas. Free transportation and travelling expenses are given to the members home. Same Benefit

Pensions

Pension granted in case of death, and any disability arising or aggravated during service if overseas, and any disability arising as a direct result of service is pensionable regardless of where the applicant served.... Same Benefit

Medical Treatment

- (a) For conditions which are related to service, free treatment and hospitalization with allowances..... Same Benefit
- (b) For conditions not related to service, free treatment and hospitalization with allowances for one year after discharge. Not entitled to this benefit

Rehabilitation Grant

Entitled to 30 days' pay and dependents' allowance, if have served at least 183 days. Same benefit if members served overseas

Veterans' Insurance Act

Except under certain circumstances, ex-servicemen may purchase up to \$10,000 Life Insurance without a medical examination. Application to be made within three years after discharge. Same benefit if members served overseas

Veterans' Land Act

Subject to reasonable conditions, this act provides for loans up to \$6,000; the maximum for land and improvements is \$4,800, for live stock and equipment \$1,200.

(a) Full time farming. Only members who are in receipt of a pension and with overseas service benefit under this act.

(b) Small holding (coupled with industrial or other employment.)

(c) Small holding (coupled with commercial fishing)

*Vocational and Technical Training***ARMED FORCES****CORPS PERSONNEL**

Granted to all discharged persons who have no trade, or need a brush-up course in their trade. Maintenance benefits may be paid during such training, both for married or single men.

Only members who are in receipt of a pension and with overseas service benefit under this training.

War Service Grants Act

- (1) \$7.50 for every 30 days service in western hemisphere.
- (2) \$15 for every 30 days service overseas.
- (3) 7 days pay and allowances (including dependents' allowance, and subsistence allowance at standard rates payable in Canada) for every 6 months service overseas.
- (4) A re-establishment credit, equal to the sum of (1) and (2) which may be used for certain purposes.

Entitled *only* to \$15 for every 30 days service overseas.

Unemployment Insurance

If employed 15 weeks and having made the contributions required in insurable employment, to be credited with the time spent in the Forces since July 1, 1944, without making contributions to the Fund. July 1, 1944, is the date this act became law.

Not entitled to this benefit.

Out-of-Work Benefits

Benefits similar to the Unemployment Insurance benefits are payable to discharged persons who are capable of employment but for whom no work is available, for a maximum period of 12 months.

Not entitled to this benefit.

Temporarily Incapacitated

Benefits similar to those payable under the preceding paragraph may be paid to discharged persons who are temporarily incapacitated.

Not entitled to this benefit.

Farmers and Others awaiting Returns

Benefits similar to out-of-work benefits and subject to similar limitations may be paid to those engaged in farming or other business on their own account while awaiting returns from their enterprise.

Not entitled to this benefit.

SPECIAL COMMITTEE

Educational Benefits

ARMED FORCES

CORPS PERSONNEL

Maintenance benefits and student fees may be paid to those who resume education which was interrupted by their enlistment. The period for which benefits may be paid is determined by the length of service of the student. Not entitled to this benefit.

Post-Graduate Courses

Post-graduate courses may be given with maintenance in approved cases. Not entitled to this benefit.

Preference in Employment

Preference in employment is provided in all war contracts to those who have served in the forces. Not entitled to this benefit.

Civil Service Act

Preference in employment is provided in the Dominion Civil Service on the same basis as that applying to ex-members of the C.E.F. Not entitled to this benefit.

War Veterans' Allowance Act

If a veteran attains the age of 65, or in the opinion of the board, is incapable of maintaining himself, or permanently unemployable, an allowance may be paid up to \$50 per month for a married man and \$25 per month for a single man. Not entitled to this benefit.

Dependents' Board of Trustees

Special assistance is provided under P.C. 18, January, 1942, to the dependents of members serving in the armed forces. Financial assistance may be given, after investigation, in special cases of hardship or to meet emergencies that cannot be met in full by the dependents or members of her household. Not entitled to this benefit.

OFFICE OF THE PREMIER

ALBERTA

EDMONTON, October 13, 1945.

DEAR MR. MACKENZIE:

Re: Canadian Corps of Firefighters Veterans

Representations have been made to my Government on behalf of Canadian Firefighters who, at the request of the Dominion Government, volunteered for service overseas in the dark days of the recent war to assist the British Fire-

fighters in fire ravaged Britain. It is pointed out that these men were to all intents and purposes placed in the same category as the personnel of the Armed Forces. They received the same rates of pay, rations, etc., and drew their clothing from Army Supply Units in the same manner as the troops. They underwent the same hazards, hardships, and in the majority of cases to a greater extent than the majority of the personnel serving in Great Britain.

While recognizing that certain benefits have been accorded to this gallant band of men, the Alberta Government maintains that they are justly entitled to the fullest benefits of all legislation passed for members of the Armed Forces and strongly urges that enabling legislation be enacted at the present Session of Parliament to make this effective and also that the same be made retroactive to ensure that no undue hardships are placed in those already discharged.

My Government feels most definitely that these men who made such great sacrifices in common with their comrades-in-arms and acquitted themselves so nobly are justly entitled to the best this country can give them and to equal consideration with the members of the fighting forces.

The brief submitted by the Firefighters Veterans to the Minister of Veterans Affairs has been studied carefully and in the opinion of my Government is most comprehensive and warrants the fullest approval of the members of the Federal Government. May I therefore urge that this appeal be given your immediate approval.

Yours very truly,

(Sgd.) ERNEST C. MANNING,
Premier.

Honorable IAN MACKENZIE,
Minister of Veterans Affairs,
Ottawa, Canada.

A resolution was also received from the Alberta Provincial Association of Fire Fighters urging that members of the Canadian Corps of Fire Fighters be granted all rights and privileges of members of the military forces.

DEPARTMENT OF VETERANS AFFAIRS

OFFICE OF THE MINISTER,
OTTAWA, October 23, 1945.

Dear MR. TUCKER:—Further to my letter about the Corps of Canadian Fire Fighters, Mr. C. H. Payne, Deputy Minister of National War Services, has supplied the following information:

1. *Re—Memorial Cross:*

The Order in Council establishing the Memorial Cross was P.C. 4210 of August 27, 1940. This was amended by P.C. 2135, of March 28, 1943, to include the mothers and widows of merchant seamen. This Order in Council was sponsored by the Department of National Defence, but the Committee could recommend an amendment if so inclined. A request has been made on behalf of the widows and mothers of the three members who lost their lives.

2. *Re—Income Tax:*

Members of the Corps have not been assessed for Income Tax. Neither has there been any legislation exempting them. Their present position is that they are legally liable, but the Department has made no effort to collect. I attach an exchange of letters between General LaFleche and Mr. Ilsley which

Printed at p. 432.

defines the situation. You will note that the Minister of the Department which organized the Corps states that "when the members of the Corps enlisted, they did so in the belief that in financial matters they would be treated as are members of the Armed Forces."

Yours sincerely,

C. NORMAN SENIOR,
Executive Assistant.

WALTER TUCKER, Esquire, M.P.,
Chairman, Special Select Committee
on Veterans Affairs,
House of Commons, Ottawa, Ont.

MEMORANDUM RESPECTING THE STATUS OF PERSONNEL EMPLOYED OVERSEAS BY CANADIAN LEGION WAR SERVICES INC.; THE KNIGHTS OF COLUMBUS; THE SALVATION ARMY; AND THE YOUNG MEN'S CHRISTIAN ASSOCIATION, IN PROVIDING AUXILIARY SERVICES TO MEMBERS OF HIS MAJESTY'S CANADIAN FORCES OVERSEAS.

1. ORGANIZATION OF AUXILIARY SERVICES

At the outbreak of war in 1939 various National Organizations offered their services to contribute to the welfare of the Canadian Forces to be mobilized and utilized in the struggle. The Government of the day recognized that such organizations and particularly the Canadian Legion, the Knights of Columbus, the Salvation Army, and the Young Men's Christian Association, could render many services which would contribute to the welfare of the members of the Forces, preserve morale, and mobilize existing civilian agencies for voluntary service to provide for the comfort and well-being of members of the Forces. Accordingly, the four organizations mentioned were invited to enter into, and did enter into, contract with the Minister of National Defence to render certain specified services, and such other services as might from time to time be considered necessary and which the organizations mentioned might be in a position to render. To co-ordinate and direct these activities a Directorate of Auxiliary Services was set up in the Department of National Defence and similar Directorates were subsequently set up in the Departments of Naval Services and Air, when created. The Government of Canada thus recognized the necessity for the provision of such welfare services to the members of the Forces, and decided, as a matter of policy, to provide such services through civilian agencies, rather than by Service Personnel as has been done in the Armed Forces of our Allies, particularly by the United States of America.

There can now be no question of the need of such services. This was amply demonstrated during the weary years of waiting, and that the morale of the Canadian Army was preserved during these years is due in no small measure to the activities of the welfare workers of the four organizations. There is room for a difference of opinion as to the agency to be utilized in providing such services but the civilian agency properly utilized has definite advantages over a purely Military Organization, and experience has demonstrated that the services provided to the members of the Canadian Forces by these organizations were in no respect inferior to those provided to members of other Forces and in many respects they were superior. And we believe that this was accomplished at less cost than would otherwise have been the case.

But to give such service Overseas involved employment of qualified personnel, and such personnel, other than those engaged on Headquarters

Printed at p. 273.

Evidence Brig.-Gen. Alex Ross (Can. Legion), p. 239.

Robert Ryan (K. of C.), p. 247.

Colonel C. M. Edwards (Sal. Army), p. 245.

Colonel Wm. Dray (Sal. Army), p. 248.

M. J. Chisholm (Y.M.C.A.), p. 244.

H. J. Humphrey (Y.M.C.A.), p. 245.

Administration Staff, were, if the organizations gave the complete service needed, required to accompany the Forces wherever they were employed. In other words, the employed personnel of these organizations, other than Headquarters Staff, had to live under strictly service conditions, and perform their duties under service conditions, in exactly the same way as other members of the Forces, except that they were not required to do combatant duty. They were in all respects subject to Military Law.

At the outset everyone concerned was much too anxious to get on with the work to give serious consideration to the question of the exact status of these men. They were actually civilians, although performing military duties. It soon became apparent that this situation would have to be clarified, and almost endless discussions have taken place with this end in view and successive Orders in Council and Treasury Board Orders have settled many points but, notwithstanding these concessions, these men are still at a distinct disadvantage as compared with the men whom they have served, and with whom they have served in many cases under combat conditions. It is with a view to securing a final settlement of these matters that this memorandum is submitted.

II. CLASSIFICATION OF PERSONNEL

As National Voluntary Organizations providing Auxiliary Services are obligated by the terms of our contract to supply the service agreed upon and such others as may be required and which they are capable of furnishing, the organization of such services must necessarily conform to the organization of the branch of the Military Service to which they are attached. Accordingly the personnel of the organization may be classified as follows:—

(a) Headquarters

Consisting of a Senior Officer, his Executive Assistants, Accounting Officers, Officers in charge of supply and Directors of various specialized departments, such as entertainment, film services, sports, education, organized hospitality, etc., with the necessary subordinate staff. These Headquarters maintain liaison with the Headquarters of the Services Overseas, act under their authority and carry out their wishes. The members of these Staffs, in their own field, perform the same functions and under the same conditions as do members of the Military Headquarters Staff.

(b) Force Directors and Senior Supervisors

These are Senior Officers attached to Headquarters of formations in the field, carry out the directions of these formations and supervise the operations of their subordinates.

(c) Supervisors

These officers give direct service to the members of the Forces. They are attached to Units, are subject to Military Law and must accompany the Units wherever they go. They are not required to do combatant duties but if they are to do the work for which they are employed they must be as close to the fighting front as it is possible for them to go. They have operated under fire, and have, in the case of the Army, always lived under the same conditions as troops in the forward areas and in the actual line of battle.

(d) Helpers

Civilian personnel recruited to assist at Headquarters and in the field and who are required to go wherever needed, and to do whatever is necessary to give service to the Forces.

III. SERVICES RENDERED BY AUXILIARY SERVICES

These are far too extensive and diversified to be enumerated. It may be safely said that nothing which will tend to the comfort and well-being of the members of the Forces, in addition to the service supplied by Military establishments, is beyond their scope. But certain specific services may be enumerated:—

(a) Entertainment

To establish wherever there is any concentration of Troops a Recreation Centre; to organize a film circuit and show pictures whenever and wherever possible; to organize parties of entertainers and where these are not available to improvise entertainment.

(b) Sports

To provide sports equipment and, in conjunction with Unit Officers, to organize and supervise all kinds of sports and games.

(c) Canteens

To organize a service of supply and open dry canteens wherever the Forces are located; and, when stationary canteens are not available, to make such service sufficiently mobile to take supplies to members of the Forces wherever they may be. This often involved service of hot drinks and refreshments to men close to the battle zone.

(d) Personal Services

Utilizing their contact with the home Organization to help a man with his marital and domestic difficulties, financial troubles, and the multitude of personal problems which can arise in individual cases.

(e) Education

(i) Formal Education—Working in close co-operation with Military Educational Officers, to supply instructional material, organize courses and classes, and mobilize civil educational facilities to meet Military requirements.

(ii) Informal Education—Through the organizing of group discussions, music appreciation, hobbies and handicrafts, programs and provision of reading materials, etc.

(f) Leave Centres

To secure and operate at appropriate points, hostels, where sleeping accommodation, meals and recreation can be provided at minimum cost to members of the forces on leave.

(g) Organized Hospitality

To set up an organization for making readily available the kind of hospitality offered by civilians to Service Personnel, and to provide Information Centres for the benefit of service men and women in such a way as to make their leave periods more interesting and profitable.

From the foregoing it will be observed that the duties to be performed by personnel of the Organizations supplements the services of Military personnel and are performed under exactly the same conditions as services performed by Military personnel.

IV. STATUS OF PERSONNEL—REVIEW OF STEPS TAKEN

After the arrival of Canadian Troops in Great Britain the status of Supervisors was discussed with General McNaughton. As the Government had agreed to pay Supervisors Captains' rates of pay it was suggested that they be

commissioned as Honorary Captains, which would automatically have solved all problems. General McNaughton, for several reasons, was opposed to this suggestion and the Organizations concurred in his views. In later discussions suggestions that Military rank be conferred on the Supervisors have been again considered but Military authority has consistently taken the view that if this were done such Supervisors would pass entirely under Military control and direction. The Organizations could not agree to this as such a step would of course simply make them recruiting and supply agencies and make it impossible for them to make available to the Forces the services they were capable of rendering. The Organizations do not concede that such a result was inevitable because in the War of 1914-1918 Officers of the Y.M.C.A. were Honorary Captains, yet the Organization functioned very much as it does to-day. It should have been possible to embody these Officers in the Military Forces and make their services available for these special duties. However, this was not conceded to the extent of conferring rank. It should be pointed out that the Officers serving with formations are, as has been said, subject to Military Law, they are attached for quarters, rations and discipline, they draw their pay from Military sources, and are under the direction and control of the Overseas Unit to which they are attached. The only difference between them and Military personnel is that they also continue to act as well under the direction of their own Headquarters, in the performance of their particular duties. They must perform such duties as their Headquarters may assign and are subject to recall if their services are not satisfactory to their own Organizations. Moreover they can be transferred to other duties to meet the Organizations' needs. There is direct control but no possibility of conflict, except that a man might be transferred without the concurrence of his C.O. in the Military formation. So long as he is with the formation Military control takes precedence of civil control.

Various other Orders in Council were passed, all of which were subsequently revised and were included in

(1) *P.C. 197/4417—June 18, 1941*

By this Order pension rights were awarded, subject, however, to injury as a result of enemy action. This was far short of the rights to which members of the Forces were entitled. Injuries sustained in the course of duty were not covered.

Various other Orders in Council were passed, all of which were subsequently revised and were included in

(2) *P.C. 44/1555—March 8, 1944*

This covered Headquarters Staff, Supervisors and Helpers who proceeded overseas with the approval of Military authority. The most significant part of this Order is that Supervisors serving with the Navy, Army and Air Force shall be deemed to be members of the respective service, "for all purposes except engaging in combat with the enemy and shall be subject to Naval Law, Military Law or Air Force Law, in all respects as though they were Officers of the Navy, Army or Air Force, holding the rank of Lieutenant (Navy); Captain (Army), or Flight-Lieutenant (non-flying) (Air Force) and shall be entitled to the pay and allowances, pensions and all other benefits (except income tax benefits) applicable or pertaining to such rank as from the time they embark for service outside of Canada until their services are terminated."

Helpers were declared to be "persons accompanying the Forces on Active Service in accordance with the Army Act and the R.C.A.F. Act" and entitled to pension as other ranks, and shall include only persons who have proceeded from Canada under the authority of the appropriate Military Authority.

Headquarters Staffs were accorded only medical care and hospitalization and pension rights restricted to enemy action.

Insofar as the Supervisors are concerned this Order in Council expressly recognizes what the Organizations have always contended, namely, that they are members of the Forces performing non-combatant duties to the same extent as, say, Chaplains. But income tax exemption was denied.

Helpers were given a recognized Military status and accorded full pension rights. Headquarters Staffs remained civilians with a few special privileges but no more than is accorded to any Officer of the Civil Service on duty.

Where this Order extended outstanding benefits it also created complications. The distinction between Supervisors and Headquarters Staff made it extremely difficult for the Organizations to maintain efficiency. Just as in the Armed Forces it is necessary and desirable to create Headquarters Staffs from men with experience in the field so it was with the Organization. But men of experience and proved ability who were transferred to Headquarters suffered a loss of benefits to which they were otherwise entitled, and, while to their credit, men have sacrificed these benefits in the interests of the work, yet it is extremely unfair that they should be penalized for making this contribution to efficiency.

(3) P.C. 1087—February 21, 1944

One of the things which could not be foreseen at the outset was the heavy burden of Income tax. Men volunteered for this service and left homes and families with a certain definite assured income. The increased income tax upset these arrangements and Supervisors serving in the field found themselves at a distinct disadvantage with Officers with whom they worked and who received the same pay and allowances. After prolonged negotiations this Order in Council granted exemption of income tax as to one-fifth of pay and all subsistence allowance and they were from payment of compulsory savings. This was a measure of relief but they were still at a disadvantage as compared with Officers performing similar duties and who were wholly exempt. It will be noted that the ground for refusal of full exemption was "that they are not members of the Armed Forces," and while P.C. 44/1555 expressly made them members of such Forces as fully as any other Officer performing non-combatant duties, it was expressly stated that they should remain liable to income tax. This, it is suggested, was unjust discrimination.

(4) P.C. 3228—May 3, 1945

By P.C. 44/1555, as has been noted, it was declared that "Supervisors" as defined therein were to receive all the benefits which would accrue to an Officer on service Overseas. It was naturally assumed that this would apply to rehabilitation benefits, but apparently it was ruled that this was not the case and accordingly this Order in Council was passed to give them certain limited benefits. The Order has the effect of denying to such Supervisors the following benefits to which they would be entitled if P.C. 44/1555 were literally applied:—

- (1) 7 days' pay and allowance for every six months Overseas service;
- (2) Re-establishment grant;
- (3) Rights under Veterans' Land Act unless a pensioner;
- (4) Re-establishment rights such as out-of-work benefits, vocational or university training unless a pensioner;
- (5) Priority consideration in making application for Civil Service positions.

It will be noted that the benefits actually conferred are conferred entirely to Field Supervisors. All Headquarters Officers, although many of them served in the field, and all helpers are excluded.

The reason assigned for this departure from the principles set out in P.C. 44/1555 is that "it is considered that no group or class of persons serving as civilians could, in fairness to the Armed Forces, be granted benefits on the scale provided such members of the Armed Forces."

This statement completely overlooks the fact that by P.C. 44/1555 these men, that is the Field Supervisors, were by His Majesty in Council in an order passed under the authority of the War Measures Act and having therefore, the force of law "deemed to be members of the Forces". In construing this word "deemed" in a statutory enactment the Courts give consideration to the results which the Legislature apparently sought to attain. Sometimes it has been construed as "generally regarded"; at other times it signifies "taken *prima facie* to be", and in other cases "taken conclusively to be". It is submitted that this latter is the meaning here. This Order replaced a large number of other Orders and was intended to finally settle the controversial question of Status. It did so by the simple expedient of embodying these persons for non-combatant duties in the Armed Forces, by blanket order rather than by the usual means of attestation or commission.

It is submitted, therefore, that Order P.C. 3228 attributed to these persons a status as civilians which they no longer possessed and, on that basis, deprived them of rights which by the previous Order were assured to them. By P.C. 44/1555 they were given all benefits (except income tax) to which a commissioned officer in the service was entitled. Order P.C. 3228 takes these rights away. It is admitted that the authority which gave has a right to take away but it is submitted that is unfair that this should be done and that the reason assigned is not adequate.

The reason assigned would be entitled to consideration if the benefits denied were confined to men who had actually fought. That is not the case. There must be thousands of men who were never nearer the battle front than London, and who, while in uniform, have been performing only clerical service are entitled to all these benefits. Why then should men who have followed the fighting troops into forward areas, who have been exposed to all the rigors and dangers of the fighting zone, except in actual combat, be denied the benefits which accrue to Military personnel performing sedentary duties.

It is submitted, therefore, that Field Supervisors being Military personnel are entitled to all benefits which accrue to Military personnel Overseas.

5. Status of Headquarters Personnel

So far as Headquarters establishments are concerned they are, under present regulations, admittedly civilian with certain very limited rights. But it is submitted that there is no reason why this should be so. Auxiliary Services are what the term implies—Auxiliary to the Armed Forces. Like any other branch of the service their personnel have to be supervised and directed and supplied. To give the service required, the Organizations have had to build up a great service of supply and distribution. All that requires Headquarters Staffs. Without such Staffs the men in the field could not function, without such Staffs the Military Formations could not make their wants known and secure the service required. The Headquarters Staffs are an integral part of the Organizations and as their purpose is principally to serve the men in the services, all who are approved for Overseas service by appropriate Military authority in Canada, should be treated alike. A serving sailor, soldier or airman must go where sent and where he can be most usefully employed. All cannot fight—some must serve in the rear that others may fight successfully. The personnel of Auxiliary Services are in the same position and as the Post-discharge Order makes no distinction in the character of service of Military personnel Overseas, so there should be no distinction in the character of service of Auxiliary Services personnel.

The same remarks apply to members of the Educational Staff. At the outset the development of an educational program was entrusted to the Organizations. As time went on the value of such a program in Military training Overseas became evident and the Services developed their own Educational Organizations. But the Educational Staffs of the Organizations were not entirely eliminated. On the contrary, they were, in effect, embodied in the Military scheme, and became an integral part of the Organization, performing certain definite duties. Had they not been available Military Personnel would have been required to replace them. They should, therefore, receive the same treatment as Educational Officers of the Services.

6. *Service of Auxiliary Service Personnel Generally*

These men are all volunteers. In all cases they ignored the opportunity for profitable and comfortable civilian employment at home under wartime conditions and of their own freewill cheerfully accepted the hardships of Military service in order to help. They did not have to go but they saw an opportunity of service and the grateful tributes of those whom they served show that they played a worthy part. On their return they will face the same problems of rehabilitation and re-establishment as will the men with whom they served. Without the help and assistance which these benefits give they may fail. In the eyes of the public they are men who have served. As such they are entitled to recognition.

The various participating Organizations, therefore, respectfully request:—

THAT all personnel of the Organizations despatched for service out of Canada or outside the territorial waters of Canada be accorded all benefits, pension, rehabilitation rights and income tax exemption as has been or will be accorded to members of the Armed Forces similarly engaged.

OTTAWA, October 22, 1945.

Mr. Walter Tucker, M.P., Chairman, and
Members of the Special Committee
on Veterans Affairs, House of Commons, Ottawa.

Submitted on behalf and in the interests of Canada's Merchant Seamen

Gentlemen:

This statement is presented to you on behalf of and in the interests of Canada's Merchant Seamen, with special reference to those who spent from four to five years as Prisoners-of-War in Germany.

It is conceded that the wartime status of Canadian Merchant Seamen differ greatly from that of members of Canada's Armed Forces. This was not due, however, to any action on the part of the seamen themselves, but may be ascribed to the failure of the Government to include Canadian Merchant Seamen in the same category as members of the armed forces. That being the case, and whereas it should be realized that Canada's Merchant Navy did, without doubt, play an important, if not a vital role in the winning of the war just concluded, their claims to proper compensation from the Government should be received and dealt with, not only in a sympathetic but a practical manner.

While it is not to be expected that people in the interior of the country would realize to the same high degree as those in the Maritime Provinces the bitterness of sea warfare, especially during the late war, and in particular during the first two years of the conflict when German U-boats practically swept the sea of all shipping, there is no reason why the Canadian Government should not be cognizant of all the facts relating to the almost unequal struggle waged by unarmed and unprotected Canadian Merchant Seamen and Canadian ships with

death and utter destruction the order of the day and night. There is no reason why the Canadian Government should not be cognizant of the fact that Canada's Merchant Navy carried on alone in a successful effort to maintain the Atlantic supply routes, the loss of which would have meant complete disaster, not only for Britain and Europe, but for Canada as well.

In proportion to its strength the Merchant Navy suffered greater losses in life and ships than any branch of the armed services. That is something worth considering, and a fact perhaps not sufficiently well known.

In addition some hundred members of Canada's Merchant Navy were captured by the enemy and as a result spent from four to five years behind the barbed wire of filthy Nazi Prison Camps. Fortunately for these men the Canadian Government did pay their wages for the full period they spent in prison, but this duty on the part of the Government was reduced to a shameful lever by that same Government's action in extracting from those long suffering seamen, full Federal Income Taxes on their wages, that is, on their basic wages; their war bonus for the same period being exempted from taxation, except for the year 1942 when both wages and bonus were taxable.

And it is further understood that while the Government has made provisions with qualifications whereby a Special 10 per cent Bonus is to be paid all Canadian Merchant Seamen, the ex-POW is again penalized in that his period of confinement in prison is not credited as time on which this Special Bonus may be claimed.

It is further understood that whereas Farmlands, Educational privileges, gratuities, Re-establishment and Rehabilitation Credits are granted the ex-service man, not one of those benefits are accorded members of Canada's "Forgotten Legion"—the Merchant Navymen.

If the Canadian Government feels that it is for the good of Canada, and in Canada's interest to educate and rehabilitate members of our armed forces, and I fully agree that these men are deserving of the finest and best Canada can give, then I submit the same applies in the case of Canada's Merchant Seamen. There are men who will remain in the armed forces; many more will return to civil life. Likewise with the Merchant Navy. Some of its personnel will remain at sea, others will seek re-establishment ashore. All are deserving of assistance, whether they served in the air, on the battle field or on the sea; whether in uniform or in workday dungarees.

It is further submitted that the Government consider the case of the many Canadian Seamen who served Canada on ships other than those of Canadian Registry. **TO THAT CLASS OF CANADIAN SEAMEN THE SPECIAL 10 PER CENT BONUS DOES NOT APPLY.**

In addition to that their wages were in all cases lower than those paid Canadian Seamen sailing on Canadian ships. And it is further submitted that in this connection Canada follow the lead of Australia by allowing this group a sum sufficient to bridge the difference in the pay they received and what they would have received had they been able to secure berths on Canadian ships.

In summary, it is respectfully submitted that Canadian Merchant Seamen receive:

1. All benefits under Canada's Rehabilitation Scheme.
2. All benefits under the Veterans' Land Act.
3. Return of all taxes paid while Prisoners-of-War.
4. Receive Bonus Tax paid for the year 1942.
5. Priority for employment in the Civil Service.
6. War Bonus (SPECIAL BONUS) on time spent as Prisoners-of-War.

7. Grant covering difference in wages from what they received on ships other than those of Canadian Registry and what they would have received had they been able to secure berths on ships sailing under the Canadian Flag.

8. IMMEDIATE PAYMENT OF THE GOVERNMENT'S SPECIAL 10 PER CENT WAR BONUS. Members of the armed forces are not obliged to wait until after the Government's official declaration that the war is over in order to receive their Bonus or Gratuity, and there does not appear to be any reason why Canada's Merchant Navymen should not be treated likewise.

W. R. Shaw,
Halifax, Nova Scotia, November 28, 1945.

OTTAWA, October 16th, 1945.

Mr. WALTER TUCKER, M.P.,
Chairman,
Special Committee on Veterans Affairs,
House of Commons,
Ottawa, Canada.

DEAR MR. TUCKER:—

You will recall at the first meeting held for the purpose of organization, I asked for an interpretation of the words, "and of other persons who have otherwise engaged in pursuits closely related to the war" as used in the resolution referring this matter to the Special Committee.

I mentioned at the time that I had particularly in mind members of the Merchant Navy. The Minister of Veterans Affairs replied stating that the fullest possible scope would be given to consideration of cases of this nature and all similar cases. I made this inquiry at the time because of the large number of letters I had received from members of crews of Government steamers, as well as crew members of the "*Cyrus Field*" and "*Lord Kelvin*", the latter being two cable ships which make their headquarters at Halifax, and also members of the Halifax pilotage.

I am writing to request that an opportunity be given for full discussion of this matter. I need not point out that since war was declared, these men have carried on their duties, sometimes with convoys as special escorts from Halifax, have placed buoys in mine infested waters, came in direct contact with enemy U-boats and carried out their work at times in complete blackness, due to regulations.

In the case of cable ships, the work of repairing communications was carried on in places which brought them in close touch with enemy submarines. The Halifax pilots were also engaged in hazardous work during the war years and on one occasion, due to regulations faced during the war, a disaster resulted in the loss of the pilot boat "*Hepridean*" when seven of the twenty pilots were drowned.

It is cases such as these that I wish to bring to the attention of the members of the Committee so that consideration can be given to the granting to them of the Merchant Seamen's Special Bonus as provided in Order in Council P.C.3227.

Yours truly,

GORDON B. ISNOR, M.P.,
for Halifax, N.S.

THE CASE OF THE CANADIAN CIVILIAN FLYING PERSONNEL OF THE R.A.F. TRANSPORT COMMAND IN THEIR CLAIM FOR RECOGNITION AS VETERANS

The unpublicised, but nevertheless exceptionally high casualty rate of our members;—Our rate by accident is over 20 per cent killed in four years of operation. During the hazardous first two years of our organization the rate by accident was 35 per cent killed. We invite comparisons of these proportions with any branch of the active services overseas.

Printed at p. 433

Members of the government do not, in general, realize that R.A.F. Transport Command civilians have been asked to man guns in aircraft, have been given courses in air gunnery, have been attacked by enemy aircraft and anti-aircraft.

They have been asked to fly in many theatres of war, and many flights have been made over or near enemy occupied territory and within range of enemy interceptor aircraft.

No fair minded person could distinguish between the importance or dangers of our work and that of a man on active service overseas, to say nothing of those who have served in Canada and who receive recognition as veterans.

There is a tendency to regard civilian personnel flying with R.A.F. Transport Command as being an extremely high salaried group and as such not eligible for classification as veterans. In enlisting discrimination on a dollar for dollar basis there follows a list of comparative salaries against those of R.C.A.F. officers attached to Transport Command for ferrying duties.

R.A.F.T.C. Civilian Flying Personnel (Married, One Child—A Typical Case)

| | Per month. | | | |
|------------------------------------|------------|----------|-----------|------------|
| | Salary | Inc. Tax | Insurance | Net Salary |
| Captain | \$1,000 00 | \$230 00 | \$75 00 | \$695 00 |
| First Officer | 800 00 | 184 60 | 50 00 | 565 40 |
| Sr. Radio Officer | 600 00 | 129 50 | 50 00 | 420 50 |
| Flt. Engineers and Jr. R/O's | 450 00 | 87 60 | 50 00 | 312 40 |
| Observers | 154 12 | 9 00 | Nil | 145 12 |

R.C.A.F. Flying Personnel Attached to R.A.F.T.C. (Married, One Child)

| | Pilot Officer | Flying Officer | Flight Lieut. | Squadron Leader | Wing Commander |
|----------------------------|---------------|----------------|---------------|-----------------|----------------|
| Basic pay Allowances | \$187 50 | \$210 00 | \$255 00 | \$292 50 | \$360 00 |
| Wife | 47 20 | 47 20 | 52 20 | 57 20 | 62 20 |
| Child | 13 92 | 13 92 | 13 92 | 13 92 | 13 92 |
| R.A.F.T.C. Allowance..... | 120 00 | 120 00 | 120 00 | 120 00 | 120 00 |
| Net Salary | 368 62 | \$391 12 | \$441 12 | \$483 62 | \$556 12 |

It can be pointed out that the actual number of Canadian civilian flight personnel involved is only 269, made up as follows: Captains 44, First Officers 32, Sr. and Jr. Radio Officers 149, Flight Engineers 21 and Observers 23. It is apparent that the numbers of persons in the so called "high salaried group", namely Captains, receiving \$695.00 net (gross \$1,000) is only 44, a percentage of the total Canadian flight personnel of only 16 per cent.

The civilian flyer receives his pay and nothing more. In fact he is removed from the payroll immediately upon being reported missing. His pay also ceases in case of sickness or by reason of accident sustained in the line of duty.

He receives no medical or dental services. There is no government pension for dependents in the case of death. The only coverage is under Quebec Workmen's Compensation Act, which pays \$40.00 per month to a widow and \$10.00 per month for each child up to 18 years of age.

Therefore, although it may be assumed that civilian flying personnel are better off on the basis of gross income, such is not the case as is shown above.

It can also be stated that the civilian flying personnel came to Transport Command fully qualified and trained at their own expense. From the Government booklet "Canada At War" it is estimated that *it cost the Dominion Government \$25,000.00 to train a pilot under The British Commonwealth Air Training Plan to "wing standard" i.e. 250 hours.* Canadian civilian pilots came to Transport Command with an average of 1,500 hours!

Printed at p. 370.

Evidence J. M. Price p. 513.

J. E. Weaver p. 516.

AUXILIARY WAR SERVICES GRANTED RECOGNITION

The Orders in Council P.C. 3229 and 3228, dated May 3, 1945 extend to supervisors of the Auxiliary War Services (Canadian Legion, Y.M.C.A., K. of C., Salvation Army and the civilian firefighters enlisted for services in the United Kingdom) the benefits of the War Services Grants Act. These Orders in Council were passed on the recommendation of the Minister of Veterans' Affairs, who reported that in many respects such supervisors and firefighters served under the same conditions and with similar rates of pay, etc., as members of the armed forces and should therefore receive similar benefits.

These men did an excellent job during the war. We consider that Canadian civilian flyers with the R.A.F. have done equally as much.

In conclusion, it can be pointed out that the success of R.A.F. Transport Command (originally C.P.R. Air Services) rested on the few civilians who were called upon to deliver the first badly needed land based bombers to Britain in the dark days of 1940. To them goes the credit for pioneering what was considered an impossible feat in overcoming the hazards of the north Atlantic.

In refusing recognition to this small body of men, Canada is discriminating against some of her best Canadian flyers.

Submitted by: Trans Oceanic Radio Officers' Association, P. O. Box 294, Station "H", Montreal, P.Q.

R.A.F. TRANSPORT COMMAND:

AMENDMENT I

The Case of the Canadian Civilian Flying Personnel of the R.A.F. Transport Command in Their Claim for Recognition as Veterans

Point No. 1. During 1940, 1941 and 1942 Canadian civilian flying personnel were assessed full income tax amounting to almost half their income. RCAF attached to RAFTC for ferrying duties and American civilian flying personnel paid no income tax whatsoever.

Point No. 2. Our men, except by a concession on the part of their previous employer, are unable to return to their prewar position, due to their not being considered veterans.

Two cases of which we know (there are probably more) where our officers have been unable to take possession of their homes for the same reason.

Point No. 3. The majority of these men have excellent secondary school educations, and many left university to join the RAFTC. They are now the most experienced group of men in Canada in long range flying and operation under hazardous weather conditions. Certainly these men with their vast practical experience should be given the opportunity of university training so that their knowledge can be put to the future benefit of Canadian aviation.

Those are our amendments.

W. A. TUCKER, M.P., Esq.,
Chairman, House Committee
on Veterans Affairs,
House of Commons.

Dear Sir:—I wish to submit amendment 2 to our brief (page 370 of the record). The amendment elaborates upon my statement on page 514 of the record *re* employment by Trans-Canada Air Lines of released R.A.F.T.C. civilian flying personnel.

AMENDMENT II

The case of the Civilian Flying Personnel of the R.A.F. Transport Command in Their Claim for Recognition as Veterans—

- (1) Two of our Captains were employed as Captains with TCA previous to joining the RAFTC. While with the RAFTC one was a pioneer of the route between Canada and India and made many flights over enemy territory and actual battle zones. The other, besides numerous flights to every front, was Assistant Chief Test Pilot in charge of technical development and made many dangerous test flights to improve trans-ocean flying and so speed the delivery of needed aircraft to the fighting fronts. If these men were considered veterans TCA would take them back with seniority. Both were refused by TCA. These men are seriously considering leaving Canada and going to Holland, where their experience is sought. Others have gone to South America as they cannot secure positions flying in Canada.
- (2) The same condition exists in regard to positions with the Department of Transport as check pilots; a position for which these men are admirably suited.

Yours sincerely,

JACK M. PIERCE
(John M. Pierce)

Printed at p. 513.

Evidence follows.

Memorandum outlining reasons for the granting of full gratuities and re-establishment credit and all the benefits of the post-discharge re-establishment Order P.C. 5210 to elementary instructors whilst serving at civilian operated schools without pay.

Submitted by D. K. Yorath, Managing Director High River Flying Training School Limited, 215—6th Ave. W., Calgary, Alta. April 18th, 1945.

Method of Obtaining Elementary Instructors:

In the early part of 1940, the Canadian Flying Clubs in Canada were asked to enter into contracts with the Dominion Government for the operation of Elementary Flying Training Schools under the British Commonwealth Air Training Plan. There were some twenty-two Clubs who entered into such contracts on a non-profit basis and over the period of the next eighteen months opened Elementary Schools in various parts of Canada. The High River Flying Training School, sponsored by the Calgary Aero Club, was awarded such a contract and commenced its operation in July, 1940, at the city of Lethbridge, Alberta, and in June, 1941, moved to the town of High River, Alberta.

At the outset of our operations one of the major difficulties was the procuring of competent flying instructors. These men were finally obtained from members of the Flying Clubs who possessed their civilian pilots' licences; from ex-World War No. 1 pilots who had been engaged in some form of commercial flying spasmodically since the termination of the last war; from so-called bush pilots in Northern Canada, and some from the United States. One of the requirements was that these men had to have a minimum of 150 hours civilian flying. At the outset, the majority of them had a great deal more than this. Upon signifying their desire to become Elementary Instructors, they were enlisted in the R.C.A.F. with the rank of Acting-Sergeants and were sent to the R.C.A.F. Station at Trenton, Ontario, for a flying instructor's course. Later on there were two other Flying Instructors' Training Schools opened in Canada. Upon the completion of their instructors' course, these men were granted an instructors' category and posted on leave without pay to some civilian operated school (generally the one which originally contacted them) where they were paid by the operating company, which in turn was paid a monthly operating allowance by the Dominion Government to cover the salaries of these men and other expenses.

After a few months this supply of civilian pilots became exhausted. As the scheme expanded, additional instructors were required. These instructors were provided by graduates from the Plan, i.e. boys who had enlisted in the R.C.A.F., had gone through Manning Depot, Initial Training School, Elementary Flying Training School, and Service Flying Training School. If selected as elementary flying instructors they were, upon the completion of their S.F.T.S. course, given an instructor's course and then posted on leave without pay to a civilian operated Elementary Training School. During the entire period of their training they were enlisted men paid by the R.C.A.F. (All trainees at the civilian operated training schools were, of course, fully enlisted men in the R.C.A.F.)

The civilian schools were asked to watch for prospective elementary instructor material in each course that went through their hands. Before those so selected at the Elementary School graduated they were interviewed to ascertain whether or not they would be willing to serve for a period of time as an Elementary instructor. If the student expressed such a willingness, this was noted upon his documents which followed him to the Service Flying Training School, where he was again interviewed towards the end of his course. Whilst there was no compulsion on these men to become Elementary instructors, they were at that time sold very strongly upon the need for such instructors and upon the splendid work and vital necessity of the job they would be doing in this capacity.

Printed at p. 92.

Brief endorsed by Canadian Legion — p. 69.

It will be seen, therefore, that there were two categories of flying instructors: (1) Those who were civilians and were enlisted direct as Acting Sergeant-Pilots for the sole purpose of becoming Elementary instructors and (2) those who had enlisted, receiving their full training in the R.C.A.F. to be posted to whatever job was most essential at the completion of their course and who, due to the exigencies of the circumstances, were persuaded to become Elementary instructors.

In addition to these two categories, there were a few at the outset of the war who had been officers in the Auxiliary R.C.A.F. in one of the many squadrons located across Canada. These men were, as a rule, flying instructors of some considerable experience and were, therefore, vitally needed at the Elementary Schools, most of them also being connected with one of the sponsoring Flying Clubs. Some of these officers were permitted to go on leave without pay to act as Chief Flying Instructors, Flight Commander, etc., at Elementary Schools.

Reversion to the Service Status:

In November, 1942, it was decided, for many reasons, to call these men back from being on leave without pay and to place them directly in and under the R.C.A.F. This occurred on December 1, 1942. With one or two exceptions they were all of Sergeant rank, but within two or three weeks most of them were given the N.C.O. rank to which their length of service had entitled them, up to the rank of Warrant Officer, Second Class, regardless of the fact that they had been on leave without pay during that period. Within a few weeks, after recommendations had been submitted, many of them became Warrant Officers, First Class, and commissioned officers. Within a year, the great majority of them had obtained their commissions.

During the time that they were on leave without pay and for some months afterwards, it was practically impossible for these men to obtain overseas postings, regardless of how strong their desires to do so might have been. I visited many Elementary Schools in the company of high ranking officers of the R.C.A.F. On practically every occasion, these officers were besieged with requests from the instructing personnel for overseas postings. They were told, however, that their job was too important and that they would have to be content to remain in Canada for some time to come. At that time the Air Training Plan was expanding rapidly and flying instructors were badly needed. All schools were short of their instructor requirements.

It was not until the summer of 1943 that overseas postings for these men started to come through to any extent. A few of them had been successful in obtaining a posting to other types of Training Schools, due to the necessity of giving them a change in the type of their work. A large number of them, however, stayed at the Elementary Schools at which they had been whilst on leave without pay, doing exactly the same job, but paid by the R.C.A.F. instead of by the civilian Company.

Position re Gratuities and Re-establishment Credit and all the Benefits of the Post-Discharge Re-establishment Order P.C. 5210

With the reduction of the Training Plan, a great number of these men are now being retired—discharged or transferred to General Reserve. They received their gratuities and re-establishment credit and all the benefits of the post discharge re-establishment order P.C. 5210 for the period that they received R.C.A.F. pay, but received no consideration for the period that they were on leave without pay and paid by the civilian Companies. This, in my opinion, is an unfair discrimination. These men were the subjects of the system which applied at that time, and which in the opinion of all concerned, was felt to be the most satisfactory method of handling the Elementary Flying Training. It was no fault of theirs that they were on leave without pay and, in my opinion, they should not be subjected to any personal criticism or discrimination

because of the system under which they were employed. Many of them have since gone overseas, where they have acquitted themselves with the same credit as their companions who had been paid directly by the Service for the entire time of their enlistment. Many of them will have completed at least one or more Tours of Operations before they receive their discharges. This, after having put in two or three years of the arduous grind of instructing hundreds of boys to become pilots, the majority of whom preceded them overseas. The majority of these instructors, due to having been posted on leave without pay for such a length of time and due to having been instructors in Canada, now see their own students of a considerably higher rank than themselves.

It is my opinion that these men in 1940 and 1941 were the backbone of the Air Training Plan and that the Plan could not have been anywhere near the success it has been without their work. They deserve a great deal of credit for having carried on with the monotony of their instructional duties despite their desire to get overseas and despite hearing of the accomplishments in action of their own students. That some of them finally succeeded in doing so has provided them with a fitting culmination to their earlier years of instructing during which they laid the foundation stones of the splendid Air Force we have today.

Financial Comparison:

It has been contended that one reason why these men are not entitled to gratuities and re-establishment credit and all the benefits of the Post-Discharge Re-establishment Order P.C. 5210 for the period that they were on leave without pay is because the salaries that they received in that period of their service was, in its gross figure, higher than that received by instructors at R.C.A.F. Training Schools. This argument, however, is hardly just, as the men who were on leave without pay paid full Income Tax whilst performing their duties, whereas those paid by the R.C.A.F. did not. In the majority of cases, the payment of this Income Tax brought the annual remuneration to a lower figure than that of Service instructors, despite the fact that it is generally conceded that the Elementary instructor is exposed to greater risk than the Service Flying Training School instructor.

The following figures will give the financial picture as it applies to these men. In consultation with officials of the Department of National Defence for Air, a scale of salaries was standardized for all Elementary flying instructors on the following basis:—

| | per annum |
|--|-----------|
| Chief Flying Instructor..... | \$4,800 |
| Assistant Chief Flying Instructor..... | 4,200 |
| Squadron Commander..... | 3,900 |
| Flight Commander..... | 3,780 |
| Flying Instructor..... | 3,600 |

These were the maximum annual salaries that a man could receive in this respective category. In the majority of cases, those holding the position of Flight Commander and up were paid the maximum. The ordinary Flying Instructor, however, was, as a general rule, started off at a salary of \$2,400 per annum, receiving an increase of \$300 per annum each six months, depending upon his good behaviour and his ability, which placed him at the maximum of \$3,600 per annum after two years of service. In 1942 comparative statements were prepared showing their salaries after Income Tax Deductions, whilst on leave without pay, with those of Service personnel. These comparisons were made on the 1942 taxation basis. It did not take into consideration such items as life insurance premium credits, etc. The salary figures for Service personnel included \$1 per diem subsistence allowance.

On this basis, a Sergeant-Pilot on leave without pay, married, with no children, received a net cash income of \$2,356 per annum (assuming he had been employed for two years and was receiving the maximum annual gross salary of \$3,600). The Sergeant-Pilot in the Service who did not pay Income Tax received \$2,245 or a benefit in favour of the Sergeant-Pilot on leave of \$111 per annum. As a large number of Service instructors however were above the rank of Sergeants, the comparison between this rank is hardly fair. I therefore give you the following other comparisons for your guidance. An instructor on leave without pay, married, with no children, receiving a net salary of \$2,356, would receive \$829 less per annum than a Pilot Officer. A Flight Commander would receive \$939 less per annum than a Flying Officer. A Squadron Commander would receive \$1,483 less per annum than a Flight Lieutenant. A Chief Flying Instructor would receive \$1,845 per annum less than a Squadron Leader. These figures were prepared comparing the on leave-without-pay positions with the comparable ranks similar positions would hold in the Service.

In addition, I would point out that a flying instructor on leave without pay purchased his own uniforms although early in 1942 an allowance was made with the consent of the Department of National Defence for Air whereby these men received \$50 per annum (not retroactive) towards their uniforms. In the Service, N.C.O.'s receive all clothing free of charge and a commissioned officer receives a grant at the time he obtains his commission of \$150. Instructors on leave without pay, if they lived on the Station, had to pay their own room and board, this being a requirement of the Department of National Defence for Air. If they lived off the station they received no subsistence allowance. They received no free medical or dental care except First Aid. When travelling on leave, they did not obtain the reduced rates on railway and bus lines or other concessions that were accorded Service personnel.

At the outset of the Plan in 1940, there was no adequate provision made in the way of compensation for injuries occasioned whilst flying or pensions to beneficiaries in the event of death through flying. This situation was corrected early in 1941 by the means of covering these men either under a liability insurance policy or through provincial Workmen's Compensation Boards, whereby the men or their beneficiaries received practically the same compensation and pensions that they would have received had they been paid by the Service.

Several of these men received decorations such as the A.F.C., A.F.M., King's Commendation, etc., for outstanding efficiency as flying instructors. It is difficult to understand how they could be so recognized and also receive the recognition in rank that they did when reverting to the Service in 1942, and now not receive the same financial recognition as their colleagues.

Specific Individual Examples

You asked me to give you some concrete individual examples. I could give hundreds of names, but will select two or three which should suffice.

Squadron Leader W. W. Smith, A.F.C., Can. C.878, was Chief Flying Instructor and Manager of the Calgary Aero Club. At the outbreak of war he was also a Pilot Officer in the Auxiliary Air Force in Calgary. When the Calgary Aero Club sponsored the Lethbridge Flying Training School, S/L Smith was placed on leave without pay and assumed the position of Chief Flying Instructor at the Lethbridge School. He carried on in this capacity until January, 1942, at which time the School was located in High River. In January, 1942, he reverted to the Service in order to take over the position of Chief Supervisory Officer for the R.C.A.F. at the High River School. This position he occupied until December, 1942, when all flying instructors still on leave without pay reverted to the Service, at which time he remained in the R.C.A.F. and became Chief Flying Instructor and Commanding Officer of R.C.A.F. Personnel. He held this position until the School disbanded in December, 1944, except for a six-month interval when he was posted overseas to attend a course

at the Empire Central Flying School. S/L Smith has since been transferred to General Reserve and now holds a civilian position in Calgary. He will receive no consideration under the Post-Discharge Re-establishment Order P.C. 5210 for the time that he was on leave without pay, namely, July, 1940, to January, 1942, during which time he organized the flying training at the School and carried on this training under the most difficult circumstances with the almost insurmountable obstacle of a shortage of flying instructors.

Flight Lieutenant J. E. Palmer, *A.F.C.*, *D.F.M.*, was a last-war pilot, prominent in commercial aviation in Southern Alberta and British Columbia. He joined our staff as Assistant Chief Flying Instructor in July, 1940, when he was sent to Trenton for an instructor's course and posted back to us as an Acting Sergeant on leave without pay. F/L Palmer held this position with the Company until January, 1942, when he took over the position of Chief Flying Instructor, succeeding S/L Smith, who left the Company's employ to become R.C.A.F. Chief Supervisory Officer. In December, 1942, F/L Palmer, along with all the other instructors, reverted to the Service and became Assistant Chief Flying Instructor, receiving his commission within a few weeks of reverting to the Service. He was retired from the Service in July, 1944, and is now operating his own business in the town of High River. Upon his retirement, he received no consideration for the time he was on leave without pay.

Flight Lieutenant C. C. Agar, *A.F.C.*, C.247744, joined the staff of the Edmonton Flying Training School as an instructor with the rank of Acting Sergeant on leave without pay. When that School was closed and transferred to Bowden, Alberta, to operate an R.A.F. Elementary Flying School with R.A.F. Service instructors, Sgt. Agar was employed by this Company as a flying instructor (Acting Sergeant on leave without pay). A few months after reverting to the Service in December, 1942, he, along with a few others, was successful in obtaining a posting to a Service Flying Training School with a view to completing his service training prior to going overseas, which had always been his one aim and ambition. Due to his age, however, he was not acceptable for overseas service and was once again posted to an Elementary Flying School at Abbotsford, B.C., in the fall of 1943. When that Station closed in the summer of 1944, he was transferred back to High River, and in November 1944 was retired from the Service and now is engaged in a civilian occupation at Langley Prairie, B.C.

Earlier in this memorandum I referred to those men who were taken out of the Training Plan, but who had enlisted with the idea of going overseas, and who were persuaded to become Elementary Instructors. Such a man is Flying Officer R. W. E. Stone, C.36519, who came to this School when it was operating in Lethbridge in 1941 as an L.A.C. Upon completing his course, his flying instructor and his Chief Flying Instructor both felt that he was ideal material for an Elementary Flying Instructor. Stone was interviewed as to his wishes. He was not particularly keen, being most anxious to see overseas service, the job for which he enlisted. He felt, however, that if he was not going to be confined to Elementary instructing for too long a period, that the experience would be of benefit to him. Upon completing his course at Service Flying Training School, he became an Elementary instructor and received an instructor's course, at the conclusion of which he was posted back to our School at High River as an Acting Sergeant on leave without pay. He reverted to the Service along with other instructors in December, 1942, and remained with us until the closing of the School in December 1944, during which period he became married and now has one child. In that time he made several requests for overseas posting but was not successful. He finally had his ambition realized and was posted overseas in March of this year.

Commencing with the summer of 1943, several of our older (in point of service) Elementary instructors who had been on leave without pay, obtained

their desires and were posted overseas. Several of these men are still over there, well on the way to the completion of a Tour of Operations. I will give you the names of three of these men who are still in the Service and who, if the present ruling applies, will not obtain rehabilitation consideration for the period that they were on leave without pay. They are Flight Lieutenant M. W. Davidson, *D.F.C.*, C.23562; Flight Lieutenant F. Dawson, Can.J.23026; Flight Lieutenant W. Burnett, C.24745. Another one of our men who was with us when the School opened in July 1940, Flight Lieutenant H. C. Thompson, C.20733, was recently reported as missing and, I believe, presumed dead. There are many others too numerous to mention.

Other Civilian Employees

It has been suggested that if the recommendations contained in this brief were implemented, civilian staff of this school, such as mechanics, etc., would have justification in making a similar claim. This we do not believe to be a sound argument. These men were employed as straight civilians, well aware at the time that they were employed on a strictly civilian basis, the same as any other civilian job and that they would not receive any special consideration. They were not subject to any special hazard or risk to their life as were the flying instructors.

It has been further suggested that if these flying instructors were treated under the Post Discharge Re-establishment Order P.C. 5210 the same as service personnel that other civilians such as those screened for farm work, mining, etc., would have justification for a similar claim. In my opinion the same argument applies to the latter type of worker as those mentioned in the immediately preceding paragraph. They knew that they were considered as civilians and would only be treated as such. They cannot compare to any persons in the services doing the same type of work, nor in the majority of cases were they subjected to any great risk of life.

Reasons Supporting Full Gratuities and Re-establishment Credit and All the Benefits of the Post-Discharge Re-establishment Order P.C. 5210

My claim, in which I have no personal interest other than to see justice done, is that the whole matter should be reviewed and serious consideration given to revising the order which only gives gratuities and re-establishment credit and all the benefits of the Post-Discharge Re-establishment Order P.C. 5210 to these men during the period that they received Service pay. My chief reasons for making this claim are:—

(1) That without the service of these men in 1940, —41 and —42, the progress of the British Commonwealth Air Training Plan would have been seriously retarded.

(2) Whilst not paid by the R.C.A.F. or in R.C.A.F. uniform, these men were enlisted in the R.C.A.F., receiving recognition as far as rank, promotion and decorations were concerned. Although enlisted and wearing civilian uniforms they were performing exactly the same duties as other flying instructors in R.C.A.F. uniforms and paid by the R.C.A.F.

(3) That the conditions of living and the pay received gave them no advantage over Service personnel.

(4) That a large number of them had practically no choice other than to become Elementary flying instructors. (In 1940 and '41 the educational requirements of the R.C.A.F. were such that few of these men could have enlisted in the R.C.A.F. for training by them as overseas pilots. Several of these boys, therefore, became Elementary instructors as their only means of becoming engaged in wartime flying and with the hope that it would be the ultimate means of their getting overseas.)

(5) The majority of them, from the time that they became engaged as flying instructors, had one desire, namely, to get overseas, which was evidenced by the number of them that did so as soon as restrictions were relaxed.

In my opinion, there are three reasons why it is in the interest of the men themselves and Canada as a whole that these men should receive the same treatment as their colleagues in the Services:—

(1) To eliminate unfair discrimination against them because of the system of operation, at that time deemed advisable.

(2) To place them on a parity with other R.C.A.F. personnel, many of whom have not had the length of service that these men have had, many of whom were not exposed to the risk that these men undertook, and many of whom have not done any more actual operations service than many of these men.

(3) To give them every single cent possible to enable them to rehabilitate themselves on a parity with other Service personnel and thus to make them more useful and better Canadian citizens.

My desire is not merely to see these men obtain more money, but to provide them with money to which I think they are entitled and which a large number of them are going to need. I have previously referred to the lack of educational requirements of several of these young men. Many of them were very young, many of them had never worked in their lives before becoming flying instructors. They have now grown old in Canada's service, having been accustomed to a high income and a comparatively high standard of living. A great number of them have become married and have acquired families. To properly rehabilitate them, they are going to require every penny they can obtain. They themselves know that they have done a good job, that they have had no advantages over Service personnel. If the present discrimination against them is to stand, I am afraid they will be a very disgruntled body of men.

The representations of the Canadian Legion on behalf of these Elementary flying instructors, of which I imagine there would be some fifteen hundred or two thousand in Canada, will, I know, be greatly appreciated by them.

Very truly yours,

D. K. YORATH,

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OUTLINING THE REASONS FOR THE GRANTING OF FULL GRATUITIES AND THE RE-ESTABLISHMENT CREDIT, AND ALL THE BENEFITS OF THE POST-DISCHARGE, RE-ESTABLISHMENT ORDER P.C. 5210—TO AIR OBSERVER SCHOOL PILOTS WHILST SERVING ON LEAVE WITHOUT PAY FROM THE R.C.A.F.

Edmonton, October, 1945.

This brief which follows was prepared by Service Pilots who had served one or more contracts, seconded to Civilian Companies operating Air Observer Schools across Canada. They were, during this time, officially classified as on "Indefinite Leave Without Pay."

The purpose of its preparation and presentation is to secure for these pilots all of the benefits of the War Gratuities Act 1944, and to bring about some

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alleviation of the disadvantageous circumstances these pilots have found themselves in after discharge, due to the fact that such time passed on "Indefinite Leave Without Pay" is, for official purposes, not classed as active service.

Among Canada's more important contributions to the late war effort, prominent place has been given to the part she played in the management and operation of the B.C.A.T.P. While this dominion should not alone claim credit for its successful and brilliant record in this accomplishment, it must be agreed that most of the task of supplying instructional staff and operating personnel fell upon this country.

The very immensity of the program and the need which existed for all possible haste, produced situations where the only solution was improvisation and compromise.

In order that all available resources could be utilized the Government and the R.C.A.F. let contracts for the operation of certain type flying schools to civilian companies and flying clubs already engaged in the flying business. It was found that in many ways it would be preferable to have these companies operate schools on civilian lines rather than have the whole organization become part of the R.C.A.F. Generally these civilian companies contracted for the operation of Elementary and Air Observer Schools. This brief will deal exclusively with the situation at Air Observer Schools.

In the first days of the B.C.A.T.P. the staff of such schools were totally and completely civilian. That is to say, the company who operated the station employed only civilians for the purpose of running the school for the R.C.A.F. establishment on the station.

The arrangement worked very well. Immediately, however, the B.C.A.T.P. commenced to grow, shortages of trained staff appeared which in some cases grew to an acute state threatening the operation of the whole school.

Prior to the time when trained personnel became so difficult to obtain all of the companies' flying was done by civilian pilots. These men, holders of private licences, commercial licences and ex-bush pilots, had all been absorbed into various schools across the country to assist in the training of aircrew. Later the supply was virtually exhausted and the operating companies had no place to secure additional pilot staff that they might keep up the pace set by the plan.

The above-mentioned civilian pilots had entered into the employ of the company as dutiful employees for the purpose of making a living from the flying business. They were in no way connected with the R.C.A.F. Many of these pilots did, however, desire to assist in the general war effort, and others chose this occupation because of the fact that for sundry reasons their services in the Air Force were unacceptable. They were the very nucleus of the B.C.A.T.P.

As things moved to the situation, as has been described above, the company officials, realizing they would soon be unable to maintain their contracts, approached the R.C.A.F. for assistance. The arrangement was then made, that to provide the necessary pilots, such future graduates of the R.C.A.F. pilot training, as the companies might have need could be seconded to the school for pilot duties.

For the purpose of avoiding any misconception regarding the type of pilot which the R.C.A.F. agreed to second to the company for the purpose of flying at civilian operated Air Observer Schools we believe a definition should here be made. Those pilots who this brief supports were volunteers in the R.C.A.F. They enlisted for general service in any capacity in which the air force saw fit to place them. In practically all cases enlistment was as AC2's for the duration and one year. The progress of these men was entirely normal throughout the various stages of their training, at the completion of which they graduated as P/O or Sgt. Pilots.

Once the R.C.A.F. agreed to the necessity of placing graduates of its plan at the disposal of the A.O.S.'s the matter of procedure arose. Naturally the primary question was to whom should such a pilot be responsible. In view of the fact that the flying operations at A.O.S. were completely in the hands of the companies it was thought advisable and preferable that service pilots seconded to such schools be given the opportunity of working for the company. Accordingly the arrangement was made that a service pilot arriving at an A.O.S. for flying duties could, if he chose, request and receive a Period of Indefinite Leave without pay, solely for the purpose of flying the companies' aircraft engaged in training air crew for the B.C.A.T.P. Originally it had been planned, and agreed upon, that a service pilot on arriving at an A.O.S. could apply for the Period of Indefinite Leave, or could, if he chose, elect to remain in the service, in uniform, and as on active service and yet fly for the company. In short, if a service pilot was to be employed by the civilian operating company he could elect service or civilian conditions.

On and after December 1, 1942, this condition was removed. After that time it became compulsory for all service pilots posted to A.O.S. to accept the period of leave in order that they might assist in training navigators, bombardiers, etc. Prior to this time it presumably has been found that the leave period was the only way in which service men could satisfactorily be seconded to A.O. Schools.

Let us suppose then that one of the Air Observer Schools across Canada find that their flight schedules are becoming increasingly heavy due to larger classes and a general expansion in the whole training plan. They are no longer able to secure additional civilian pilots because the supply is simply exhausted. They presumably, therefore, make application to the R.C.A.F. Headquarters in their command for a specified number of pilot graduates of the R.C.A.F. to be available as soon as possible for duties as staff pilots at A.O.S.

The Air Force in turn secures the desired number of pilots from the next graduating class. There were, however, several occasions where in dire necessity pilots who had already been posted for overseas and other duties were recalled and hurried off to ease the strain at A.O.S.

Originally it was planned to have only volunteers posted to these schools for pilot duties. There were, therefore, some instances in which student pilots were approached by their instructors at service flying schools and questioned as to their willingness to accept such a posting. This, however, was not always the case, particularly so in the later stages of the plan.

Some pilots did, of course, signify their willingness; others, and there were many cases, expressed a desire for some other type of duty. It should be remembered here that the essential thing was to secure pilots for these schools in order that there be no cessation or slowing down of training. The fact that some men were interrogated and others not could very likely be traced to the degree of need being experienced by the school at that time. While it has been said on several occasions that staff pilots at A.O.S. went there of their own free will and accord, it ought also to be acknowledged that many men arrived there through persuasion, which at times amounted almost to coercion. In many cases of which we have knowledge there was neither an opportunity for nor a request that the service pilot volunteer for such duty; he simply arrived at the A.O. School for flying duties.

Let us now trace the progress of a service pilot, a graduate of the B.C.A.T.P., as he arrives at an A.O.S. and is tested and accepted by the Company.

Arriving at the station, he reports first of all to the R.C.A.F. Chief Supervisory Officer, he being still in uniform and on active service. Instructions are then given him to report to the operations staff of the civilian company.

This he accordingly does and he commences a period of intensive training and probation during which he is tested by the company to discover whether or not he is suitable for his new duties.

Such additional instruction usually involves a month's to two months' training in dual flying, and instrument flying, astro navigation and general navigation instruction, as well as meteorology, airmanship and aero engines. In short, there was considerable instruction given to prepare the service pilot for the additional duties he would have to assume on navigation trips carrying a crew of four.

At the successful completion of such trips the prospective pilot was declared ready for his R.C.A.F. check flight. This consisted of being tested as to flying ability by a command testing officer, generally a Squadron Leader. Having successfully completed all of the foregoing tests the pilot was declared eligible for first pilot on the company's aircraft on instruction flights. The only detail left to decide was as to how he should perform his duties, whether in service uniform or on Indefinite Leave. In the later stages of the plan, of course, there was only one condition under which he could perform such duties and that on Indefinite Leave.

Each pilot declared so fit was then approached by a member of the company and requested to apply for "Indefinite Leave without Pay." In view of the fact that the company was in charge of the flying done by the school and that it was solely responsible for flying schedules, as regards pilots, it seemed a perfectly logical arrangement that we be responsible first to them. While the right to continue with the company as on active service did exist for a while, it was only availed of once to our knowledge and that time by a permanent force man.

At the time of requesting this period of Indefinite Leave from the R.C.A.F. we were assured by the officials of the companies that we were in no way hindering or spoiling our service career by taking such action. Both company officials and R.C.A.F. personnel assured us that our promotion would be forthcoming in the normal periods of time and that our seniority and service record would not suffer in any way for our efforts at these schools.

It is generally agreed by ex-A.O.S. staff pilots to-day that such advice given as it was by responsible officers and men was given in the best of faith. Indeed we have since been assured by many of these same men that such was their sincere understanding.

There is no logical reason why it should not have been. The absolute necessity of obtaining additional pilots for the flying duties at A.O.S. existed. The only source of supply from which they could be obtained was from graduates of the B.C.A.T.P. and it was only logical and reasonable to suppose that the transfer of such pilots from the Air Force would involve nothing which would work to their discredit. Indeed it was their official understanding that such was the situation at that time.

Immediately Indefinite Leave was granted an air force pilot by the air force he completed a contract with the company for a period of six months. This contract could be immediately cancelled by a recall of the pilot to active service on the part of the R.C.A.F. Such a recall could entail service in any part of the world and in any position the R.C.A.F. saw fit to place us. It will be easily seen that the contract with the company was merely the continuance of the air force control over our actions. At the end of the first contract the pilot was free to request a recall to the service for whatever posting might then be available.

It is quite common knowledge to-day that pilot losses in the R.C.A.F. Overseas were not nearly as high as had been expected. This, combined with the large expansions in the B.C.A.T.P., had produced a very large surplus of pilots overseas. Consequence was that overseas postings were rationed on a

very slim scale. Should a pilot be fortunate enough to secure an overseas posting he generally spent at least a year awaiting a posting to an O.T.U. and his final posting to a squadron; what happened more frequently was that he was posted for further instructional duties.

As obstacles against such a posting there were the facts as follows:—

1. Each A.O.S. having only enough pilots to meet its obligations were generally reluctant to lose them.

2. The facts as have already been enumerated, namely the likelihood of getting further instructional duties.

3. Each visiting flight which arrived at the school testing pilots for the R.C.A.F. described the hopelessness of attempting to get into action. They also strove to impress upon us the importance of our work at A.O.S. and not infrequently impressed upon us the high calibre of skill shown.

In spite of the foregoing many pilots did request repostings back to the service and when they were fortunate enough to secure them, executed their new duties with as much valour and devotion as others in the service. There are to-day many ex-A.O.S. pilots who have earned many decorations and citations on operational and training and experimental duties.

While we now had become employees of the company, under the pay and discipline of the civilian body, there was in reality nothing to the situation which could be considered strictly civilian. We were responsible first to the management and secondly and yet very directly to the R.C.A.F. Should it occur that during the tenure of a contract a service pilot flew in a manner of which the R.C.A.F. seriously disapproved, the offending pilot was immediately recalled to the service for some disciplinary action that the service thought appropriate. Lesser infractions were dealt with by company officials.

We were at all times, when not on duty, permitted to wear the service uniform and rank and decorations. This is definitely not a privilege permitted reserve officers and men when not on active service. While on Indefinite Leave without pay, we were advised by D.R.O. of the station on which we served that we should henceforth be permitted to wear the eighteen months' service ribbon. It should be noted here that in order to qualify for this ribbon the time spent on indefinite leave had to be counted in order that we might qualify.

Periodically promotion was forthcoming, but frequently and generally it was far behind that which we might normally have expected had we remained in the service.

Our very duties themselves, involving as they did the training of active members of the R.C.A.F., flying aircraft which were in truth the property of the R.C.A.F. and operating under the wishes and directions of the service only led us to believe that in reality we were a very important arm of the service.

There was little choice in the matter; we could either fly for the schools or return to the service and do some other job that had to be done. Indeed it was not our intention of leaving the R.C.A.F. It was very naturally the desire of all pilots to participate in operational flying and to do work other than instructional duties. The fact that we were required to train students of the B.C.A.T.P. in the status quo under which we served, we did not, and do not consider any reflection on our efforts. The smooth functioning of the training of observers, navigators, bombardiers and W.A.Gs., together with the lack of friction between air force and civilian companies operating these schools we believe to be evidence of our sincere efforts.

Our duties on these stations involved the flying of aircraft on navigational instruction trips. The flight generally was of three to three and one-half hours'

duration and carried a crew of two navigators, a bombardier and a W.A.G. Our crews were frequently very inexperienced and required a great deal of assistance and supervision. In order to understand and be of assistance to them we took, at frequent intervals, extended navigation courses.

Sole responsibility for safe return to base rested upon the pilot and because of the nature of the trips, taking us over many routes and wrong courses, it amounted at times to a difficult task. The Service Flying School instructor is blessed with only one student being able to fly the aircraft at a time. In a normal navigation trip the bombardier, the two navigators and the W.A.G. all generally want something different at the same time and when they are all inexperienced it can create some trying situations.

Much of the equipment we flew was worn out. The Anson Mark I which served this country so nobly was at times an uncomfortable spot to be. The proper training of navigators in night or astro navigation required a very great deal of night flying on the part of A.O.S. pilots, in fact this particular type pilot probably flew as many hours at night as any other pilot in the R.C.A.F. Meeting as we did all kinds of weather on these various trips because we covered so much ground, we frequently had situations where we were left almost totally to ourselves to return to the airport safely. Generally an A.O.S. pilot flew 1,000-1,500 hours at a school—to be brief, it was sometimes a very long and monotonous job of work.

In previous discussions regarding the legitimacy of the claim for full credit and privileges under the War Service Gratuities Act, as advanced by the A.O.S. pilots, considerable discussion has hinged around the financial aspects of the problem. We believe that it can be shown here that pilots in this category did not benefit unduly or to an extent in excess of service personnel doing similar duties.

For the purpose of illustrating the situation we have taken figures from a brief which was presented to the Department of Finance and the Hon. J. L. Ilsley in 1943. This brief was prepared by the pilots of the Winnipeg Air Observers School. It showed a comparison between the income of R.C.A.F. personnel on active service and that of service pilots at A.O.S. The object of its preparation was to secure a reduction in the income tax levied on A.O.S. pilots at that time, on the grounds that in some cases these pilots were not netting as much as they might normally have expected had they remained in the service.

Shortly before the time that this Winnipeg brief was prepared and submitted to Ottawa, the income tax officials had passed a special allowance for members of the Royal Air Force Trans-Atlantic Transport Command. This allowance was made to exempt these personnel from one-third of their total income. In others words, one-third of the total income of pilots in this branch was henceforth to be considered tax free. It was felt that concessions had been made to both R.C.A.F. and civilian personnel of this branch which had not been made to Air Observer School pilots.

Accordingly the above brief was submitted to the Hon. J. L. Ilsley. After reviewing the case and after further discussion with the Hon. Mr. Power, then Minister for Air, it was returned to the group submitting it with the following remarks:—

- (a) The rates of pay have been standardized for all pilot personnel, whether seconded from the R.C.A.F. or straight civilian employees.
- (b) The rates were set at a figure which, for the service personnel on leave without pay would net the individual after payment of income tax approximately the same amount as his service pay.

Comparison is then made between a Pilot Officer, married and having no other dependents, and a Senior A.O.S. pilot in the same category.

The figures for this case are as follows:—

| | |
|--|------------|
| Pilot Officer General List | |
| Married, no other dependents. | |
| Service pay per annum plus subsistence..... | \$3,458 55 |
| A.O.S. (R.C.A.F.) Staff Pilot | |
| Married, no other dependents. | |
| (Senior) at \$375.00 per month..... | 4,500 00 |
| Less Income Tax Including Compulsory Savings | 1,708 00 |
| | <hr/> |
| | \$2,792 00 |

| | |
|---|------------|
| Income plus Compulsory Savings portion or \$2,792.00 plus \$474.67 Savings portion.. | \$3,266 67 |
|---|------------|

| | |
|--|------------|
| Pilot Officer, general list, as above..... | \$3,458 55 |
| Senior A.O.S. Pilot as above..... | 3,266 67 |

| | |
|---------------------------------------|-----------|
| Or a net difference per annum of..... | \$ 191 88 |
| | <hr/> |

In reviewing these figures we should like it borne in mind that we are endeavouring to show that the various aspects of the case have placed us in a particularly poor position with regard to our ability to rehabilitate ourselves.

From the above it can be seen that allowing the Compulsory Savings as part of the A.O.S. pilots' net income, we find he is still receiving \$191.88 less per annum than the Pilot Officer.

Since this comparison was prepared the War Service Gratuities Act has been passed. Under legislation provided therein the above P.O. for service in Canada would be entitled to approximately \$90.00 War Service Gratuity and an additional \$90.00 credit for every year's service. Because of the fact the gratuity is readily available very shortly after discharged we may consider it to be a part of the income of the P.O. per annum. After adding the War Service Gratuity we find the P.O. is netting as above:—

| |
|--|
| \$191.88 |
| 180.00 |
| <hr/> |
| \$371.88 per annum in excess of the A.O.S. pilot. |

Because of the nature of compulsory savings and due to the fact that it is of no practical value until payment is made which incidentally may not be for some three years it is of no value as a means of rehabilitation. We might even consider it as having no value for the next three years and drop it from the A.O.S. pilot's net income. In that case we would see that for the most important, all essential first three years of civilian life during which the R.C.A.F. staff pilot is attempting to resume a normal civilian life and occupation he is being penalized at the rate of the original difference plus compulsory savings or a total of:—

| |
|--------------------|
| \$371.88 |
| 474.67 |
| <hr/> |
| \$846.55 per annum |

We cannot believe that compulsory savings was originally instituted for the purpose of assisting members of the armed forces. The fact that those who were

taxed did benefit was incidental. The enactment of the War Services Gratuities Act 1944 should be evidence that some further allowance was necessary for military personnel to assist them in the transitional period.

A comparison of a Pilot Officer, single, and an A.O.S. senior pilot, single, drawn along similar lines shows a balance in favour of the Pilot Officer of \$163.33 without subtracting the compulsory savings portion from the staff pilot. Making no allowance for the compulsory savings he, the Pilot Officer, shows \$543.33 in excess of the staff pilot per annum.

Drawing from the reply of the income tax officials we submit:

1. That the rates of pay were established prior to the enactment of the War Services Gratuities Act.
2. That the assessment rate of Income Tax has since the establishment of the rates been increased.

The reason for using an Air Force Pilot Officer's pay as a basis for comparison is that when the contract was signed with the company we were assured the equivalent pay of a pilot officer.

It should also be noted here that the A.O.S. pilot had during his employ by the company many expenses which the Air Force Officer's allowance did not have. For instance, we were completely responsible for our health, and ability to report for work. Toward this end most pilots carried hospitalization insurance. We received no clothing other than a \$50.00 a year allowance. The balance of all clothing we had to provide. There were many other expenses which we incurred because of the fact that we lived as civilians with little or no organization to prepare things for us.

We desire nothing to which we are not entitled—we do, however, think that we are fully entitled to some financial assistance in the form of the full Gratuities and the Re-establishment Credit and all the Benefits of the Post Discharge Re-establishment Order P.C. 5210.

The men to whom it is proposed these benefits be given were not civilians. They were members, and full accredited ones, of the R.C.A.F. They were given indefinite leave solely for the purpose of keeping the school in operation. It was not their choosing that such schools should be operated on civilian lines. They requested "Indefinite Leave without Pay" because of the wishes of the operating companies and because they believed it to be the only logical and efficient arrangement. They did so in the conviction that they were doing nothing to endanger their service status. Had they known the situation as it now exists they would forthwith have taken measures to remove themselves as far as possible from these schools. Had they done so it would have necessitated the R.C.A.F. taking over the operations of A.O.S.

There are many other features to the problem in addition to the financial. Many of the men who flew as pilots on indefinite leave were very young men, who, prior to joining up had been at school and university. They had no business to return to on discharge, many knew only one thing and that was flying. The fact that they did their duty in the B.C.A.T.P., in civilian uniform and under the title of "On Indefinite Leave without Pay" did not simplify or take care of the problems which arose when after four and five years of military flying, and a life completely foreign to their chosen occupations or aspirations, they returned to civilian life.

There should be no confusion allowed to exist between a straight civilian and a service pilot seconded to a company. On the one hand the civilian entered into the employ of the company as a means of livelihood, and a source of income, and, some for the experience they might gain in their chosen profession of flying. On the other hand the R.C.A.F. pilot was seconded to the company, because the need was there for pilots to train members of the B.C.A.T.P.; the officials of the R.C.A.F. had detailed him to do that work and because of the mode of

management it was only fitting he work with the operating company. The cessation of such service, on the service pilot's part posed as many problems for him as did the cessation of service on the pilot's part who had remained continually in the service. The R.C.A.F. service pilot who flew for a civilian operated A.O.S. was in reality an arm of the R.C.A.F. which operated for and to the benefit of the whole service.

It is an established fact that no line flying ability was drawn in choosing A.O.S. staff pilots. Many pilots who were to spend several years at these schools were taken off the boat in Halifax harbour, on their way overseas and returned to A.O.S. across the country to instruct navigators. The ability of these pilots and of all pilots at A.O.S. was high and was frequently called so by visiting testing officers.

On the grounds of the foregoing it is difficult to see why, when the War Services Gratuities Act was passed proper provision was not made for pilots of this class. The number of service pilots seconded to A.O.S. was quite large. This is not a problem which effects only a very small group of men. Generally 70 per cent of the pilot staff at these schools was service personnel on leave and considering the number of men who at one time of their service career did such duty we arrive at a sizeable figure—a conservative estimate of which might be 2,000 men.

It is our opinion that when the original legislation was introduced the lack of provisions for A.O.S. pilots was purely an oversight. When the matter was brought to the attention of the authorities it was let slide because of the confusion it was thought to develop in dealing with other groups which had been granted indefinite leave for purposes such as farming, mining, and certain types of manufacturing. We do not consider a comparison between service pilots seconded to A.O.S. and army personnel given leave to assist in the production of coal or other essential materials as justified. On the one hand the army miner was already skilled in his profession and it was perhaps almost as important that he be left at his civilian occupation as it was that he join the armed forces. The only protection he should receive in such a case should be his seniority rights.

The service pilot on the other hand had first of all to be trained for the type of work he was to perform. The performance of his duties was, as has already been stated, completely foreign to his chosen occupation, and the experience he gained while flying had little or no bearing on any position he held in civilian life. In addition to the foregoing we feel that as pilots, in charge of all the flights, and flying long hours each month we directly participated in any risk to life and limb which was experienced by all of the flying personnel of the R.C.A.F. It ought generally to be agreed that of all types granted Indefinite Leave without pay during this war, we A.O.S. pilots participated more directly in the risks of life and limb experienced by the armed forces, than any other groups.

With regard to the other civilian personnel, employed by the companies, any possible claim for gratuities for assisting in the war effort on their part, could be denied on the grounds that they did not volunteer for general service, and be accepted by any branch of the forces.

Throughout the time passed at A.O.S. by service pilots we received various notices, and advices, which would seem to indicate that we were receiving credit on our service record for time passed there. For instance, in January of 1945 a notice was posted in Air Force establishments in No. 2 Command which read approximately as follows:

"With the closing of several of the air force stations in this Command the supply of pilots will become surplus to requirements. It is felt that in view of the fact that so many requests for postings to operational training stations will be received and because of the fact that the available postings are so limited some system of rationing based on qualifications must be instituted.

"In this connection good conduct and length of service will be the deciding features. In order that all may share equally it has been decided that time passed at Air Observer Schools on Indefinite Leave will be considered active service and such time will be to the benefit of such A.O.S. pilots desiring operational training posting."

Indeed throughout those years in the employ of the company it was a case of how very near. Now it has become the reverse; how very far we were removed from the service. After our services were no longer required by the company we were returned to the R.C.A.F. and discharged in the regular fashion, being placed on the reserve. In keeping with general procedure we were presented with a Certificate of Service. On this certificate it should be noted we received credit for both time on active service and time passed at A.O.S. In short it was certified that we had served on the strength of the R.C.A.F. from the date of enlistment till the final date of discharge. We submit that the situation as it now stands is not logical or complete—we also submit that we are entitled to more consideration.

These past few months have seen what at times almost amounts to a complete dismissal of the efforts of A.O.S. staff pilots while on indefinite leave from the service. Some pilots spent two years and more at these schools, others only six months, in either case they did their job and did it well. It was essential, and without their efforts the size of the R.A.F., R.A.A.F., and R.C.A.F. would have been drastically cut. The job of training troops and personnel in war time is at the best of times a poor one and an uninteresting one. In spite of this the devotion and good honest endeavour of the A.O.S. staff pilot produced or materially assisted in producing navigators, bombardiers and W.A.Gs. who made the air forces of the Dominions what they are.

It would seem to us that the natural purpose of our existence as service pilots on indefinite leave without pay was to facilitate the functioning of the B.C.A.T.P. as the R.C.A.F. most desired it should function. We believe the actions of the R.C.A.F. indicate this. The only natural act when seconding such pilots to the civilian companies would also be to duplicate in as many ways possible and certainly in every financial aspect, the service conditions as applied to a semi-civilian state. Indeed it has been so stated in the letter mentioned previously from the Minister of Finance and the Minister for Air.

It has been previously illustrated in this brief, that in many ways the services of air force personnel at Air Observer School have received recognition. These situations have arisen however, only in instances where it would assist such a pilot to qualify for further duties in the service. In practically all cases where he desired outright credit for his efforts at these schools it has been denied on the grounds, "that time spent on period of Indefinite Leave without pay, cannot be considered time spent on active service."

Perhaps nowhere has this worked such hardships as it has upon service personnel who at one time in their service career spent a lengthy period at these schools. Let us assume that at the end of his term with the civilian operated Air Observer Schools he is recalled to the service. In view of the fact that at such time there are probably far too many pilots for the available postings his case is reviewed for discharge purposes.

On the points system which was introduced into this country's discharging program, a man received credit of one point for every complete month's service in this country. There were other means by which he could secure points, but these will not be gone into here.

In the case of the service pilot at an A. O. School we might assume that after a training period with the R.C.A.F. of twelve months he was seconded to the civilian operated school for training purposes. He has completed, let us suppose two and one-half years' duty with the A.O.S. In other words he has at the time of recall to the service spent, approximately three and one-half years actively engaged in the service duties of the R.C.A.F., namely in training and preparing aircrew for active service.

He should therefore be credited with the forty-two points which any other member of the R.C.A.F. would have earned had he been for that length of time doing similar duties.

There are today men in the R.C.A.F. who although they desire a discharge from the service, being held in the service because they do not qualify, under the foregoing reasons.

We submit that such an arrangement is totally unjustified.

Would it be asking too much then, to expect some recognition for our efforts in the form of full credit on our service records for the time spent at these schools; also that we receive the benefits of the War Gratuities Act to assist us in our efforts to resume a normal civilian life and avocation. We believe because of the foregoing, that we have earned the right to such considerations.

A. B. E. STRANG,
Flying Officer,
Reserve.

The Canadian Red Cross Society:

At the meeting of the National Executive Committee held on Wednesday, October 3rd, a resolution was passed petitioning the Government to grant recognition of all Red Cross Corps members serving overseas and of Red Cross V.A.D.'s serving in Canada attached to the R.C.A.M.C.

It is suggested that this recognition should include all the benefits accruing to the regular member of the Forces.

REPORT OF OVERSEAS MEMBERS OF THE CANADIAN RED CROSS CORPS

October 29, 1945.

1. Six hundred and ten members of the Canadian Red Cross Corps have been sent overseas. The first draft left Canada December 31, 1942. Part of the original draft are still serving in England.

2. The Overseas Detachment comprised the following:

- 100 V.A.D.'s. for E.M.S. Hospitals
- 103 Ambulance Drivers
- 64 Welfare Workers
- 34 Large Quantity Cooks
- 309 Miscellaneous.

Two hundred and forty-nine Corps Members have returned to Canada on Compassionate Grounds or on General Repatriation, leaving 361 serving as of October 29, 1945.

3. The V.A.D.'s seconded to the British Red Cross Society assist the nurses in civilian hospitals in England. The first postings were made in October, 1944 and the majority are still serving.

4. The Ambulance Drivers seconded to the B.R.C.S. served first in England and then were posted as follows:

- (a) 12 Ambulance Drivers attached to B.R.C.S.—sent to Belgium—November, 1944. 7 of this unit are still serving.
- (b) 17 Ambulance Drivers attached to B.R.C.S.—sent to Belgium—March, 1945. Most of this unit are still serving.

These members work throughout Belgium and parts of France.

Their duties are as follows:

- (i) Convoy duty for troops embarking and disembarking from trains, ships and planes.
- (ii) Conveying patients from one hospital to another.

- (iii) Stationed as Ambulance Drivers on 24 hours duty at various hospitals for emergencies of any type.
- (iv) Emergency duty at Ostend Docks.
- (c) The 74 remaining Ambulance Drivers were stationed in England conveying patients to and from trains, planes, ships and hospitals.

5. The Welfare Officers have been posted as follows:

(a) *Africa, Sicily, Italy.*

- No. 15 C.H.G.—4 members attached in August, 1943 and moved to Italy February, 1944—dissolved May, 1945.
- No. 5 C.G.H.—2 members attached September, 1943 in Sicily increased to 3 members and moved to Italy, January, 1944. Left for N.W.E. March, 1945. Dissolved June, 1945.
- No. 14 C.G.H.—4 members attached November, 1943. All torpedoed and rescued in the Mediterranean and were established in Italy. Dissolved May, 1945.
- No. 1 C.G.H.—3 members attached November, 1943 in Italy—proceeded to N.W.E. February, 1945, and still serving in N.W.E.
- No. 3 C.G.H.—1 member attached June, 1944 in Italy—proceeded to N.W.E. February, 1945. Dissolved June, 1945.
- No. 28 C.G.H.—1 member attached February, 1945 in Italy. Dissolved May, 1945.
- No. 4 C.C.S.—1 member attached September, 1944 in Italy—proceeded N.W.E., February, 1945. Dissolved July, 1945.
- No. 5 C.C.S.—1 member attached April, 1944 in Italy—proceeded N.W.E. February, 1945. Dissolved July, 1945.
- Convalescent Depot—A. Division—2 members attached February, 1945 in Italy. Served until July, 1945, then were attached to B.R.C.S. after the closing of Convalescent Depot in May, 1945.

Twenty-three members served in the B.N.A.F. and C.M.F. theatres from August, 1943 to July, 1945.

(b) *France, Belgium, Holland, Germany.*

- No. 2 C.G.H.—4 members attached in August, 1944. Three were first in France then moved to Belgium, some of whom are still posted there.
- No. 6 C.G.H.—1 member attached July, 1944 in France then moved to Belgium, Holland and Germany and served 11 months.
- No. 7 C.G.H.—3 members attached July, 1944 in France, moved to Belgium and Germany 10½ months service and now attached to No. 2 C.C.S.
- No. 8 C.G.H.—3 members attached July, 1944 in France and moved to Belgium and Holland. Served 10½ months.
- No. 10 C.G.H.—4 members attached July, 1944 in France—then moved to Belgium—served up to 13 months.
- No. 12 C.G.H.—4 members attached August, 1944 in France—moved to Belgium. Some members still serving.
- No. 16 C.G.H.—3 members attached in August, 1944 in France and moved to Germany—2 members served 11 months and 1 still serving.
- No. 20 C.G.H.—4 members attached in December, 1944 in Belgium. Served 5 months then attached to No. 3 C.C.S. and still serving.
- No. 21 C.G.H.—4 members attached September, 1944 in France—served 9 months then attached to No. 6 C.C.S. and some still serving.

One member attached to B.R.C.S. Headquarters in France, Belgium and Germany still serving.

The remaining Welfare Officers serve in Canadian Military Hospitals in England.

The duties of Welfare Officers are as follows:

- (i) Meeting wounded and distributing coffee and cigarettes.
- (ii) Hospital libraries.
- (iii) Handicraft.
- (iv) Distributing shaving kits, cigarettes, cards, fruit, etc.
- (v) Writing letters for wounded and contacting their families.
- (vi) Attending in every way to the comfort of the men except "nursing".

6. The Large Quantity Cooks are posted to the following:

- (i) Corps Houses and Annex.
- (ii) Maple Leaf Clubs Nos. 1, 2, 3 and 4.
- (iii) Ontario Services Club.
- (iv) The Officer's Club.
- (v) Mrs. Massey's Club.

7. The Miscellaneous Group comprises every type of Office and Canteen worker, Assistants at St. Dunstan's School for the Blind, Handicraft Workers at all Military Hospitals in England and H.M.C.S. *Niobe*, Drivers and V.A.D.'s for the Clubs. They staff Canadian Red Cross Society offices, i.e.—P.O.W. Department, Hospital Services Department, Transportation Department, War Brides Department, P.O.W. Parcels Department, Educational Department of B.R.C.S. at Oxford, etc.

Most of these Members remained on duty throughout the bombing of England and during the period of Buzz Bombs and V2's:

8. 8 members have been sent to Newfoundland where they have done excellent work for Miss Mona Wilson, Deputy Commissioner in St. Johns. Some of these members have served since July, 1943, and are still posted in Newfoundland.

9. 66 V.A.D.'s were second to the R.C.A.M.C. in Canada and worked for different periods, dating from 1943 up to the present time. They were stationed in Canadian Military Hospitals throughout Canada.

MRS. E. M. CASSELS,
Secretary to the Corps.

Civil Security Police:

OTTAWA, November 28th, 1945.

HONOURABLE IAN MACKENZIE,
Minister of Veterans Affairs,
Ottawa, Ontario.

DEAR MR. MACKENZIE:—Representations have been made to me on behalf of the Navy and Army veterans who served in Halifax on what was at first known as the R.C.M.P. Special Guard and later called the Civil Security Police.

This guard was organized on September 9, 1939, and the veterans did duty on the Halifax waterfront in all kinds of weather, and often during the winter season under sub zero conditions. It is felt that as a body these men rendered efficient service during the recent war and they should be given special consideration.

It has been suggested that members of this organization who volunteered for service but on account of age were unable to serve in the Navy, Army and Air Force, but who remained on duty for a period of eighteen months or more should be granted a War Service Gratuity of \$7.00 a month for each month's service.

It is also felt they are entitled to the 1939 Volunteer Defence Medal.

In the brief presented, it was further pointed out that some of these men went through the entire period of the war and were suddenly discharged and are now having difficulty in securing jobs.

Because of the fact that all of this group are ex-service men, I felt justified in placing their claim before you for consideration.

Yours truly,

(Signed) GORDON B. ISNOR, M.P.,
for Halifax, N.S.

HALIFAX, N.S., Oct. 18, 1945.

RE: SPECIAL 10 PER CENT WAR BONUS

The Pilots of the Halifax Pilotage District contend that they should be included among those to whom the Special Bonus of 10 per cent of Earnings is granted for serving in "dangerous waters" during the war with Germany and Japan.

The Halifax Pilots, because of their position off the Port of Halifax, Nova Scotia, were continually subjected to great risk during the war, the pilot boat's position being, of course, some miles outside the Examination Vessel of the Royal Canadian Navy, and it is doubtful if there was any other port on the North Atlantic where great convoys moved in and out *day and night under all kinds of weather conditions*. The pilots operated right alongside the dangerous mine fields; *ships were sunk by submarine action right alongside the pilot boat as the pilots were carrying out their duties as pilots to other ships*; and the Pilot Boat "CAMPERDOWN" was severely shaken by depth charges during war action.

Furthermore pilots were over-carried from the Port of Halifax to the New England States and the West Indies by ships when there was such high loss through enemy action in these special waters. It is quite logical reasoning to conclude if the crews of the ships which carried the pilots were subject to war risk so were the pilots. Pilots were also carried several hundred miles out to sea where they were taken off by warships of the Royal Canadian Navy. Again it is logical to assume if such naval ships were liable to be engaged in war action (and it is not necessary to theorize on this point in consideration of the known facts) and their personnel subject to risk, the pilots who were aboard were subject to exactly the same condition.

In addition it is also pointed out that the pilot boat has, *during the war, gone as far as five (5) miles outside her station in dense fog, and thick snow, etc. to board ships to obviate the risk of their being torpedoed*.

It should also not be forgotten that during the war six (6) pilots and three (3) crewmen lost their lives in the discharge of their duties on the pilot boat off the Port of Halifax. Furthermore some were injured and others due to the severe physical strain experienced in the discharge of their duties during the war had to be retired from the Pilotage Service. Although perhaps it is not subject matter relevant to the present memorandum, it may be noted that the Halifax Pilots were instrumental in saving from the sea, the lives of several American airmen who crashed in a Catalina Flying Boat into the waters off Halifax in the early part of the war. A letter in praise of their action was received from Captain McHenry then Senior American Naval Officer at the Port of Halifax.

In the regulations of the Government of Canada covering compensation for disablement or loss of life through enemy action provision is made whereby a

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pilot holds the rank of lieutenant in the Royal Canadian Navy for this purpose. This would appear to acknowledge that there was consideration in the minds of the authoritative officials of the Government of Canada when framing this legislation, that some pilots would be subject to the same risk as other seamen.

It has been stated by some of the pilots that they were under the impression that there may be arguments to offset their claim to the Special Bonus from the fact that they were not signed on articles or subject to a War Risk Bonus. These points being pure technicalities should not be the deciding factors in the test as to whether a risk in "dangerous waters" was taken or not. In simple fairness and justice, the fact of what actually happened should be the test. Quite clearly the pilots were subject, from the facts themselves, to this risk specified and qualify fully in that regard.

If there should be such an interpretation that a technicality defeats the true purpose of the payment of the Bonus, it is respectfully pointed out that an amendment could be made forthwith while Parliament is now in session, if this is necessary and it cannot be done by Order in Council, in order that the spirit of the payment of the Bonus be carried out—that is in recognition for risks taken. If the Royal Canadian Navy on one hand makes provisions for their personnel in such matters and the articulated merchant seamen are provided for on the other hand, it would be illogical to exclude the other factor joining them in the same risk.

(Pilot) N. L. POWER,
for the Halifax Pilots.

28 CONCORD AVE,
Toronto, Ont.,
Oct., 24th, 1945.

HON. IAN MACKENZIE,
Minister of Veterans Affairs,
Ottawa.

DEAR SIR:—According to a recent item in the newspapers there is to be some consideration in respect to veteran's benefits for men who served in some of the auxiliary services. Would this apply at all in my case which is as follows:

I served overseas for a total of 33 months with the rating of an accredited War Correspondent. I say "with the rating" because I was not really a Correspondent but instead a broadcast engineer and was assigned that rating because it was the easiest way to fit me into the picture. I made recordings and arranged broadcasts for the CBC Correspondents and all others who desired these facilities. This included the British, French, Dutch and Belgians. Many of my recordings were used on British propaganda films and broadcasts. I mention this merely to show that although I was employed and paid by the CBC in this position I was there to also give general technical service and not in the same category as the usual correspondent who is in a position to obtain quite high recompense for his work.

My salary on this job was approximately the same as I would have earned as an officer in the forces. The reason I was doing this work instead of being in the forces was that although I applied for and was offered a commission in the R.C.A.F. in November, 1939, I was rejected on medical grounds.

If this service would entitle me to any of the veterans benefits I am mainly interested in obtaining a low interest loan for purchase of a home preferably with a small amount of land outside the city. I am also interested in the possibility of a refund of the income tax which I paid on my salary while I was overseas.

Any information you can give me on this subject will be greatly appreciated.

Yours sincerely,

(Sgd.) A. W. HOLMES.

PENSION ACT

*National Council of Veteran Associations in Canada:*4. *Pensions*

We again strongly urge that the term "pension" be eliminated from the Canadian Pension Act and that the term "war disability compensation" be substituted in the title and the word "compensation" be substituted in all cases for the term "pension" throughout the Act, and in procedure.

We urge this change because the word "pension" or "pensioner" carries with it the connotation of a hireling, a dependent, or of one in receipt of income as an act of grace. Employers often associate with the word an inferior status and governmental responsibility for support.

In the 1930's disabled veterans were discharged from jobs on the grounds that they were in receipt of pensions. It is difficult for the public, including employers, to discriminate between pensions as compensation and pensions as an act of grace. The latter are commonly known as "burnt-out pensions" (war veterans' allowances).

The payment of war disability compensation must always be treated as something separate and apart from any general social security program. War disability compensation must be understood to be what it really is: mainly an attempt at compensation by the country for a disability incurred by members of the armed forces while in the service of our country.

5. *War Disability Compensation (Pension)* which we refer to hereafter instead of using the word "pensions"—

(a) *Basic rates*—We recommend that the unemployable disabled man on war disability compensation shall be entitled to apply for war veterans' allowances subject to the condition that his compensation shall not be computed as income for purposes of such application.

In a number of cases disabled men have been unable to follow any kind of remunerative employment. Others have become unemployable due to age and other conditions for which they had no entitlement. During the depression period partially disabled men were in receipt of compensation equivalent to relief standards, but were unable to augment such to a reasonable living standard through employment or from any other source. We do not believe that such a condition should ever again be allowed to exist.

We have been confronted by numerous suggestions that the present basis of compensation is inadequate and that it should be increased. We are, however, more particularly interested in relieving the privations of those who are unable to supplement compensation, of whatever amount, to a reasonable standard than we are in enlarging the compensation for those who are able to earn a reasonable income apart from such compensation. We recognize the fact that the war veterans' allowance is now available as a generally accepted provision for those men who served in an active theatre of war, or may otherwise be eligible but who have no entitlement under the Canadian Pension Act. We also recognize the fact that the man who had entitlement in any degree usually suffers just as much the hardships and privations of his service. We therefore feel that while war veterans' allowance is an economic provision for the unemployable ex-service man in general, its benefits should be available to the injured or otherwise disabled ex-service man who cannot command a reasonable standard of living by any other means.

(b) *Multiple disabilities*: We strongly urge that in the case of multiple disabilities each distinct disability should be individually assessed and that, when totalled, compensation should be awarded to the full extent up to 100 per cent.

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Evidence Col. E. A. Baker, p. 483.
Stanley Harpham, p. 485.
Capt. W. C. Givens, p. 487.
Frank G. J. McDonagh, p. 484.
Capt. T. E. Bowman, p. 500.
Col. Rev. S. E. Lambert, p. 497.
J. Nevins, p. 500.

This will involve an amendment to the instructions referred to in section 24, sub-section 2 of the Canadian Pension Act which governs the application of the table of disabilities. When computing the pension entitlement of a multiple disability case in the past, the practice has been to assess the most serious one first and thereafter to assess others in order of importance on a successively reducing scale.

To illustrate, the following case is cited: Let us suppose that a man has become a casualty as a result of stepping on a mine in Italy. He has sustained severe injuries as follows:—

Loss of a foot, for which the degree of assessment is 50 per cent.

One arm severely injured, for which the degree of assessment is 40 per cent.

One eye injured, for which the degree of assessment is 30 per cent.

Back injury, for which the degree of assessment is 30 per cent.

Nerve and heart disability, for which the degree of assessment is 20 per cent.

Taking these assessments as individual assessments, they add up to a total of 170 per cent but this degree of assessment is not granted. His pension is worked out on the basis of the original assessment of the major injury in regard to the loss of a foot which is assessed at 50 per cent. He then receives entitlement according to the following schedule:—

For the loss of a foot he receives 50 per cent, leaving 50 per cent.

For the arm injury he receives 40 per cent of the remaining 50 per cent, i.e. 20 per cent, leaving 30 per cent.

For the eye injury he receives 30 per cent of the remaining 30 per cent, i.e. 9 per cent, leaving 21 per cent.

For the back injury he receives 30 per cent of the remaining 21 per cent, i.e. 6·3 per cent, leaving 14·7 per cent.

For the nerve and heart disability he receives 20 per cent of the remaining 14·7 per cent, i.e. 2·9 per cent, leaving 11·8 per cent.

Under the present system, entitlement equals only 88·2 per cent for disabilities that actually total 170 per cent. He cannot, under this system, ever receive 100 per cent, no matter how many disabilities he may have received on service. This procedure does not apply in the case of double amputation cases where, we believe, the pension commission some years ago decided that these cases were entitled to receive 100 per cent.

NOTE:—We are seriously concerned over the plight of multiple disability cases whose total of assessments range from 150 to 250 per cent. We have a number of these but felt that they might be dealt with under the heading of helplessness allowances.

6. *Helplessness allowances.*

We strongly recommend that the maximum amount of helplessness allowances should be increased from the present \$750 to \$1,200 per annum, applicable to all ranks, and further that in cases of multiple disability where the total of individual assessments is substantially in excess of 100 per cent that the commission be instructed to make awards appropriate to the needs of the case.

Our reason for suggesting an increase for the maximum amount available for any one case is that under conditions of the present day, and as anticipated in the years to come, the present amount of \$750 is inadequate to secure capable assistance for the most serious cases of invalid disabled.

For multiple disability cases, referred to in a previous section where the total of individual assessment is substantially in excess of 100 per cent, we believe that assistance in keeping with the need of the case should be given. In this it should be remembered that the basic rate of the compensation for lieutenants and all ranks below is definitely limited to \$75 per month.

Every disabled man, especially those with disabilities rated 100 per cent, has the greatest possible sympathy for others who carry an equivalent disability, plus others which he considers even more serious. We pay tribute to the spirit and fortitude of many a man who has laboured under a heavy burden for many years. We are vitally concerned in relieving in so far as is possible his difficulties and especially the difficulties which will confront the serious multiple disability cases among the young men who served in this war. We think in all deference we may point out at this juncture that the disabled of the first great war, and of this war up to the present, have taken a most reasonable and stable point of view in that no demands for war bonus or increases in pension have been levelled at the government of this country. We believe, however, that consideration of the most seriously disabled in the group would meet with the general approval of the people of Canada.

7. *Deadlines Affecting Widows, Wives and Children.*

We strongly recommend

(a) The elimination of the deadline of April 1, 1944, affecting allowances for wives of disabled men of the first great war, married after that date.

(b) The elimination of the deadline of April 1, 1944, in respect to allowances for children of disabled men of the first great war, born after that date.

(c) The elimination of the deadline of April 1, 1944, in respect to widows of disabled men of the first great war whose marriages occurred after that date, subject to the necessary regulation establishing the bona fide of marriage.

Deadlines in respect to wives and children as of May, 1933 were established as an economy measure. Considerable hardship and discontent resulted. In view of representations of veteran organizations and a sympathetic conviction of the government and administration, these deadlines were eventually advanced to April 1, 1944, with no retroactive payment. We submit that there would appear to be no practical purpose to be served by the retention of these restrictions and, in fact, it is highly desirable that these discriminations should now be eliminated, thus bringing the rights of the disabled of the first great war into line with the provisions for those who served in the second great war.

With reference to the deadline on the pension eligibility of widows we always contended that a fixed deadline created hardships and served no good purpose. We have always agreed with the principle of protecting this country against the danger of "death bed" marriages. We therefore suggest that the elimination of this deadline should be accomplished by appropriate regulations.

8. *Allowances for Widows with Children*

We strongly recommend that the allowances payable for children dependent upon any ex-service man's widow entitled to pension should be reviewed and increased at least to the amounts now payable under orphan rates.

In this connection we have been unable to reconcile in our minds the thought that a widow on a limited pension income of \$60 per month can properly maintain and educate her children on the children's allowances which amount to one-half the rates now applicable to orphans.

9. *Section 11 (3) Canadian Pension Act*

We recommend that once hardship has been established in such claims the award of pension thereafter be relieved from the means' test disturbance.

In 1941 the Canadian Pension Act was amended to withdraw the insurance principle in respect to claims of certain types of accident and illness cases

having service in Canada only. In view of the strongly expressed feeling that death and serious permanent injury claims involving hardship should receive consideration, the government of Canada in its wisdom, introduced section 11 (3) in the Canadian Pension Act. The application of this section was more limited at first than at present but throughout it has been the practice to maintain surveillance over all cases in which such awards have been made to determine if and when at any time earnings or other income exceeded the narrow limit.

In practice the rate of pension allowed under this section is substantially below the rate which is allowed for comparable disability accepted under section 11 (1).

We believe that the disturbance of mind and insecurity felt by cases whose awards are made under this section should be relieved and occupation, where possible, thereby encouraged.

10. *Veterans' Bureau*

We strongly recommend that the Veterans' Bureau should be an independent commission having authority and freedom equivalent to that enjoyed by the Canadian Pension Commission.

We submit that the Veterans' Bureau should be placed under a separate commission, similar in freedom and status to the Canadian Pension Commission, or the Civil Service Commission so that it will be free from what might be considered departmental influence or direction. We further suggest that the chief pensions advocate shall have powers suitable to his position and equal to the power of the chairman of the Canadian Pension Commission, and we further suggest that the office of travelling inspector of the Veterans' Bureau be filled by a full-time advocate, in order that he may exercise constant supervision over the work and preparation of cases in the district offices of the bureau.

11. *Workmen's Compensation Payments*

(Order in Council 102-3375 May 3, 1944)

We strongly recommend that the restrictions placed on workmen's compensation awarded to a partially war-disabled case should be eliminated.

Under the above-mentioned Order in Council, it is provided that the war disability compensation maximum rate shall be an over-all limiting factor in respect to workmen's compensation awards. The government of Canada is primarily responsible for the rehabilitation of casualties. This includes treatment training, and all other means calculated to place the disabled individual back into the social and economic life of his community. During the rehabilitation of the more seriously disabled of the first great war, it was found that there was throughout the country a prejudice, especially in the minds of industrial employers, against the employment of the more obviously seriously handicapped, on the grounds that such men might be more subject to industrial accidents. In order to overcome this prejudice the Department of Soldiers' Civil Re-establishment made agreements with provincial workmen's compensation boards and other equivalent agencies and undertook to assume compensation responsibilities in the case of the more seriously disabled. War disability compensation is based on loss of earning capacity in the general labour market. On the other hand, workmen's compensation is based on an average of earnings for a given period prior to accident. In the case of the rehabilitated man there is surely no relationship between the basis of his war disability compensation in the general labour market and workmen's compensation which is dependent on earnings as the results of acquired skills. Therefore we submit that it is an unfortunate discrimination that deprives the ex-service man of the compensation to which he would otherwise be entitled. We must also remember that workmen's com-

pensation is subject to contributions from the employer only and therefore involves a contractual obligation. Section 24, subsection 4 of the Canadian Pension Act provides:—

No deduction shall be made from the pension of any member of the forces owing to his having undertaken work or perfected himself in some form of industry.

We suggest that the limitation above referred to has the effect either of reducing the rights of the man in respect to compensation or alternatively his pension contrary to the subsection just quoted.

12. War Disability Compensation (Pension) Use of Information

We strongly object to the practice of disclosing information on the rates of war disability compensation in the case of any ex-service man to any persons where the use or consideration of such information may prove to be to the detriment of such ex-service man.

In the past years we have experienced tabulation of the war disability compensation rates, applicable to ex-service men, in employment in governmental departments and in employment in large corporations both in industry and business. In Selective Service forms specific questions are asked concerning war service and disability compensation. Provincial and municipal government applications for employment contain questions of a similar nature. We can understand the desire of any employer to secure information as to the physical capacities of a prospective employee, in order to determine whether he would be physically or mentally capable of doing the work in prospect. On the other hand, we object to the suggestion that the employer has any more right to information in respect to war disability compensation than he has to information on workmen's compensation private income or personal assets.

Colonel BAKER: Mr. Chairman, may I ask your kind permission to have Mr. McDonagh present one further item which we did not get into this presentation. It was drafted in a hurry. I should like to have permission to have him present that now as a part of the brief agreed to by the council as a whole.

Mr. McDONAGH: We would direct the attention of the committee to two technical points which we feel need clarification in pension procedure.

1. When the quorum as a second court was abandoned in 1939 in favour of the second application to Canadian Pension Commission, there were in the hands of veterans bureau thousands of quorum rejections, both registered for appeal and not registered. Sections 60 (1) and 60 (2) were designed to channel such cases into the new appeal board of the commission. They were enabling or facilitatory sections, not restrictive ones. The ninety day limitation in Section 60 (2) was not new—it began with the tribunal in 1930. They dealt with cases in which "right of appeal" existed.

The amended Act of 1939 failed, probably inadvertently, to make provision for "leave to re-open" (as distinct from "right of appeal") for tribunal and or quorum adverse rulings. "Leave to re-open" applies to cases in which right is exhausted.

To-day it presents the following anomalous situation:

1. Leave to re-open in tribunal and quorum rejections was not provided for after 1939.

2. Leave to re-open in Federal Appeal Board cases existed until two years later, although the F.A.B. pre-existed both tribunal and quorum.

3. There has been no stoppage of "leave to re-open" in British Pension Commission, Canadian Pension Commission, or appeal court, although these courts pre-existed the end of the quorum by several years.

4. Leave to re-open has never been qualified by a time restriction.

To put it simply, the Pension Act has failed since 1939 for "leave to re-open" in Federal Appeal Board (1941) tribunal, and or quorum rejection cases.

We submit that in war disability compensation cases, there is always the possibility of discovery of new evidence which may not have been known or available at the time of the so-called final hearing. Also in view of the progress of medical science it may subsequently be shown that an error may have been innocently made, which may have deprived a man of entitlement which would have been granted if the evidence or new knowledge had been available. This submission is not made to allow further right of appeal, but to see that there is an opportunity at all times for leave to re-open in order to assist and protect the man who has had active service.

2. In Order in Council P.C. 9553 dated December 27, 1944, there is a limitation which should be removed as it may seriously affect men who served in the recent war.

Paragraph 5 of the said Order in Council reads "The commission may, in its discretion, entertain a further application in respect of any injury or disease resulting in disability, prior to an application for a hearing by an appeal board of the commission, but after a hearing by an appeal board, *the commission may entertain no further application in respect of any injury or disease whatsoever*, subject however, to the provisions of sub-section 4 of Section 57 of the Pension Act respecting leave to re-open an application in certain instances."

In effect, paragraph 5 prohibits an applicant for entitlement for a service connected disability, if application has not been made at the time set out in paragraph 5. It may be, and experience shows that it can be, that there may be one or more service connected disabilities which have not become evident at the time of the hearing by the appeal board of the commission.

There is a further presentation from the Canadian Pensioners' Association of the Great Wars.

The Canadian Pensioners Association of the great wars support the presentation just submitted to you by The National Council of Veteran Associations in Canada and wish at this time to direct your attention to a group of both wars, comparatively small in number, whom, we feel, are in need of special attention by the committee.

We believe that we are stating the understanding of the Canadian people when we say that if a man has suffered such grave disability on active service for Canada that the Canadian Pension Commission finds it necessary to award him pension (compensation) at the rate of 100 per cent, that the Canadian people expect that such award will not place him in or near to the indigent class economically.

The single man—lieutenant and all ranks below—whose disabilities have been assessed at 100 per cent receives \$75 a month. The married man in the same group receives in addition allowances which may increase or decrease, but the basic rate of \$75 a month applies.

At page 42 of the minutes of proceedings and evidence of this committee, The honourable the minister is reported to have said "Our regulations with regard to free treatment assume that any man whose income is less than \$100 a month is unable to provide hospital and medical services at his own expense. The Bureau of Statistics reports that approximately 70 per cent of male workers in Canada earn less than \$1,250 a year."

We appreciate that the 100 per cent pensioner may, if he is able, augment his income, but we submit that many in the 100 per cent group are unable to do so. These men, above all others, should not be placed by Canada in the position whereby they must apply for a charity grant in order that they may have

some of the creature comforts of the Canadian way of life. To Canada, in her time of need, they gave a square deal, and from Canada, in their time of need, they are entitled to a square deal, not charity.

Throughout the six long years of war, they have borne the extra expense of living mainly in silence. To them came no increase or cost of living bonus.

We direct the attention of the members of this committee to the plight of these men in the period that lies ahead when the immediate cost of living to them is bound to increase, and recommend that they be given a supplementary increase in the basic rate, and thus help Canada to partially pay its debt to these men whose disabilities, in the service of Canada, have been found to be 100 per cent.

CANADIAN PENSION COMMISSION

AMENDMENTS TO THE TABLE OF DISABILITIES

Under the enabling authority contained in Section 24(2) of the Pension Act, I am pleased to report that the Canadian Pension Commission, after lengthy research and study, has authorized an upward revision in certain disabilities with effect from October 1, 1945. The main changes are as follows,—

- (a) Where formerly total loss of hearing in one ear was assessed at 15 per cent and in both ears at 50 per cent, the amendment permits of an increase to 20 per cent for total loss of hearing in one ear, and 80 per cent for total loss in both. For degrees of deafness less than total, an upward revision is also authorized.
 - (b) Where formerly 15 per cent was granted for a complete ulnar nerve lesion, the amendment permits of an increase to 30 per cent. (The ulnar nerve lies along the medial or inner side of the arm, and supplies certain muscles in the forearm and hand.)
 - (c) An increase in the amount of attendance allowance as provided in Section 26(1) of the Act has been authorized in certain double amputation cases.
 - (d) The Table has been amended to clarify the Commission's policy in respect of multiple disabilities. Section 11 of the Table formerly read as follows:—
11. Where more than one disability exists, the total disability is not to be estimated by the simple addition of the percentages at which each disability is assessed in the Table; but by an estimation, assisted by an inspection of the Table, of the extent or the total disability existing in the person concerned. A total disability cannot be said to be greater than 100 per cent.

This Section has been amended to read:—

"1. Where more than one pensionable disability exists, the combined assessment will be based on the combined disablement as a whole, but in no case will the combined assessment exceed 100 per cent.

2. When the separate pensionable disabilities are the result of wound, injury or disease and confined to, either the extremities, the eyes, the ears, or vital organs, and the disabilities have entirely independent functional effects, extreme care will be exercised in assessing each disability separately, and the composite assessment will be the arithmetical sum total. (Not exceeding the 100 per cent.)

3. When the functional effects of the pensionable disabilities do overlap, the combined assessment after inspection of the Table, will be based on the disablement as a whole. (Generally speaking, such overlapping is usually found in separate disabilities of the vital organs.)

Printed at p. 832.
see also p. 811.

4. Where there is damage to paired organs, the arithmetical sum of the separate assessments may fall short of the true degree of entire disablement. In such cases, after inspection of the Table, the composite assessment is to be made at a percentage which represents a true estimate of the disablement at a whole, e.g., the loss of sight of both eyes is more than twice as serious as the loss of either, and again, a double amputation may be more than twice as serious as a single one at the same level.

EXAMPLE.—Loss of right thigh (mid third) 70 per cent
Loss of left eye 40 per cent.

Formerly the total disability would be assessed at 80 per cent on the grounds that there was overlapping of disability. Under the amendment, the combined assessment will be 100 per cent.

- (e) Where formerly 90 per cent pension was granted for loss of both feet where leg stumps are $4\frac{1}{2}$ " or longer, the amendment permits of an increase to 100 per cent.
- (f) The amendment to the Table includes additional provisions for certain conditions peculiar to the female members of the Forces.

Action has been taken to adjust pensions in payment in accordance with the changes as authorized.

Canadian South African Veterans, Vancouver Commands:

That by the Government paying a cost of living bonus, they recognize the fact that any former incomes needed boosting in order to meet such a rise in cost. Therefore, we feel that in order to overcome this discrimination against veterans drawing a pension, that the basic scale of Pensions should also be raised; this has been done in Australia and we can see no reason why the same should not be done here.

*Citizens' Rehabilitation Committee, Port Colborne and
Humberstone, Ontario:*

Be it resolved that a recommendation be forwarded to the Board of Pension Commissioners for Canada as to the advisability of amending subsections 4 and 8, Section 20, of the Pensions Act, Chapter 157, 1927, Revised Statutes of Canada, so as to provide that all pensions and/or balances of pensions due to a deceased pensioner shall form part of the deceased's estate and that such amendment be made retroactive so as to affect the estates of all veterans of World War Two.

British Columbia Imperial Association:

923 East 13, Vancouver, B.C.

CHAIRMAN,

Parliamentary Committee of Pensions Revision,
Parliament Buildings,
Ottawa, Canada.

DEAR SIR,—The members of the above named Assoc. in Mass meeting on November 7, instant, voted unanimously to let you know the unfortunate circumstances that the Imperial veterans find themselves in, in this country.

Copies of Brief forwarded to the Ministry of Pensions in London and also to the Hon. Ian Mackenzie, will outline to you the efforts we have made to try and right the deplorable conditions that exist in this respect. These are herewith attached.

All organizations representing the Imperials throughout the Dominion, have made overtures ceaselessly for a righting of these wrongs and for justice for the Imperials. They have been directed and redirected from pillar to post during the past twenty-six years, having been told time and again that this matter rests with London; then London claims this rests with Canada. Still the veterans lay between the two buffers with not the least effort made to right their case.

We are forced to consider their case from the termination of the First World War, when it was necessary for these men to seek readjustment after serving the British Empire, when many of them had to seek readjustment in foreign lands including Canada, furthermore, this Canada appealed to citizens of the United Kingdom to come out here and take up opportunities that were here. Willingly they came, many of them Imperial veterans, and we are proud to say they have given a really good account of themselves in the past twenty-six years, proving themselves loyal, and law abiding citizens.

What do we find to-day?—actually this—that the cost of living has risen very much higher than it was between the years 1918 and 1939. We find a greater difference in the rate of Exchange. Yet we have found no improvement in the pensions or conditions for the Imperial veterans; we actually find that the Canadian veterans receives \$38 approx. per month. Not only this, but we find that many veterans foolishly enough did not pay enough attention to their pensions, when leaving to take up residence in Canada. This naturally, on the one hand was their fault. In many cases it was not themselves to blame. Many claim they had their pensions reduced and many of them are prepared to explain their own case.

It is with the knowledge of these facts that we must appeal to all good thinking people that this situation should not be allowed to continue much longer. We have, on the other hand, Imperial veterans who were almost past the employment stage, going into shipyards and factories giving of their best, to assist this country in the second World War. This, you must agree with us, hastened their declining years so much, that they are what we now call the unemployables. They also bore no malice to the treatment meted out to them in the past twenty-six years, that they willingly gave their sons and daughters to fight the common foe.

When one considers the difference between the pensions paid to the Canadian veteran and those paid to the Imperial veterans residing here, living under the very same conditions, one must agree there is something definitely lacking somewhere.

Furthermore we would like to point out to you—that the Imperials have no set legislation in this country for hospitalization, they have no set legislation for Burnt-out pensions, compared to those enjoyed by the Canadian veterans.

We can further prove to you that the veterans here in Vancouver have to seek free meals from a free meal institution.

We do sincerely ask you to place this before your Committee, now in session, and request that action be taken immediately to have both governments consider all facts honestly and sincerely and come to some arrangement by which our own Canadian government here can handle this matter entirely in our own Dominion. We will probably then have someone doing something for these forgotten men.

Our association desire to express to you the great admiration they hold for the Hon. Ian Mackenzie, who left no stone unturned in trying to get the British Government to recognize our case.

Please find enclosed, reply from the Ministry of Pensions, London.

We remain Sir,

Yours respectfully,

THE PENSIONS AND REHABILITATION COMMITTEE
FOR BRITISH COLUMBIA IMPERIAL ASSOCIATION,

per A. ROBINSON,
Secretary.

9 November, 1945.

To:

British Minister of Pensions,
House of Commons,
London, England.

Subject: *Proposed Review and Reconsideration of British Imperial Veterans, Pensions and Privileges*

Dear Sir:

The undermentioned being members and the committee in charge of veterans affairs for the above named association, humbly submit for your consideration the following full, true, concise and unanimous opinion of all members of this association.

We appreciate the difficulty for anyone in Great Britain to realize the conditions and circumstances under which Imperial Veterans in Canada are forced to abide, through the inadequate pension awards granted some twenty-five or twenty-six years ago.

Many of these veterans forfeited their pensions upon leaving the British Isles for Canada. Many had their pensions reduced. That was immediately after, or in the years following the First World War. Their many difficulties in attempting to meet Canadian high cost of living will be, we are sure, readily appreciated when you consider the very low allowance granted in all cases.

These people are now very much in their declining years and at the stage when any disability they received for their interests in the British Empire is becoming more and more pronounced. In addition to their previous willingly given service, a great many of these men, in a most unselfish manner, have been engaged during World War II in vital industry, in many cases the work has much accentuated previous infirmities and probably will result in shorter life than would otherwise have been the case.

They find then that they are in a position now where they are forced to forego heavy labour or even any ordinary labour, and have nothing to depend upon for subsistence. This most unhappy and regrettable situation can be more readily appreciated when one considers the lack of uniformity with regard to Imperial versus Canadian Veterans:—

Canadian Veteran of 1914-18—100 per cent equals \$75 approximately
British Imperial of 1914-18—100 per cent equals \$28 approximately
and so on in ratio. To live on twenty-eight dollars per month under the Canadian cost of living is beyond any possibility.

This raises the question of the poor unfortunate "old" veteran who was deprived of his pension on leaving the British Isles for Canada—he is forced to seek "City Relief" even to subsist.

We do respectfully beg for a reconsideration of the case of all Imperial Veterans who have taken up residence in Canada prior to 1939, and further we would suggest that some agreement be made by which the Canadian Government would take over administration of all British Imperial Veterans, give all these men medical examination and reconsideration under the Canadian authorities, have the Imperials paid on the same standard as that of the Canadian veteran with the Imperial Government making the necessary financial allowances.

All members of our Organization will be most interested, and thankful for any rectifying legislation that may be promulgated on behalf of the Imperial veteran.

We are, Sir,

The Pensions and Rehabilitation Committee
for British Columbia Imperial Assoc.

Per A. Robinson, *Secretary*.

Re—Application for revision of Pensions.

Copy of Reply received from Ministry of Pensions, London, England.

Sir:

I am directed by the Minister of Pensions to say that he has received from the Hon. Ian Mackenzie, Minister of Veterans Affairs, your recent letter and enclosure regarding the position of British Imperial Veterans residing in Canada, the contents of which have been carefully considered.

I am to point out that for many years the cardinal principle has been consistently maintained that the British war pensions code must be universal in its application, irrespective of the actual or chosen place of residence of a pensioner. It follows from this principle that British war pensioners now resident overseas cannot be granted additional benefits which are not available to similar pensioners who have remained in the United Kingdom.

It is pertinent to remember when contrasting the British and Canadian pension schemes that the former, being related to the standard of living and the general social services available in this country, differs in various aspects from the latter scheme which has been adapted to meet different social conditions existing in the Dominion and that no useful comparison can readily be made.

It may be observed that a clerical error has been made in comparing the pension rate payable to a totally disabled Canadian veteran and a similar British Imperial Veteran, the correct figures being as follows:—

Canadian Veteran (War 1914-18)—100 per cent—\$75 monthly

British Imperial Veteran (War 1914-18)—100 per cent—\$38 monthly.

This figure—(\$38 a month) represents the present value in Canadian currency at \$4.43 to the £ and the pension (40/- a week) payable to a totally disabled pensioner whose rank was that of Pte. Although the same rate is payable up to the rank of Lieutenant—(military) under the Canadian scheme, an addition is given under the British scheme for each step in rank and a Lieutenant in the British Army receives £210 a year (\$78 a month). Provision is also made in the British scheme for the payment of a supplementary allowance to seriously disabled unemployable pensioners.

The Ministry is unable to accept the suggestion that the rates of pension awarded under the British pension scheme were generally inadequate having regard to conditions prevailing in this country or that such pensions were forfeited or reduced when a pensioner proceeded overseas. The payments made were appropriate to the assessed degree of disablement in accordance with the normal British scale of pensions but when a pensioner emigrated to a Dominion or Colony an advance of 26 weeks pension was commonly authorised and a pensioner who was entitled to a final weekly allowance received in a lump sum

the full outstanding balance together with any terminal gratuity. Pensioners who received such final payments sometimes say that they *commuted* their pensions at the time of emigration. This is not correct as they were not then entitled to a continuing pension; they simply received in a lump sum the amount which they would have received in the way of terminable allowance if they had not emigrated.

Your representations have been carefully and sympathetically considered. A modification of the principle outlined in the second paragraph of this letter, however, to allow of a variation of the rates of pensions payable to British pensioners, who have voluntarily elected to reside overseas, in order to meet the widely differing standards of living in the various Dominions, Colonies and foreign countries, would not necessarily result in an increase in the pension rates in all cases and would in the Ministry's view be neither desirable nor practicable. I am to add that any question of the extension of the benefit of the Canadian Veterans Legislation to all Imperial Veterans who have taken up their residence in Canada is a matter for decision solely by the Canadian Government and is not one in which this department can intervene.

I am Sir,

Your obedient Servant,

(Signed) G. F. WHITE.

WOMEN'S AUXILIARY

WINNIPEG DIVISION, R.C.N.V.R.

WINNIPEG, July 4, 1945.

The Honourable IAN MACKENZIE
Minister of Veterans Affairs
Ottawa, Canada.

Dear Sir:

The Women's Auxiliary Winnipeg Division, R.C.N.V.R., is greatly concerned over the position of the families of naval service men who have given their lives during the present war. The pension granted to the widow and children by the Department of Veterans Affairs is sufficient only for the day by day expenses, and leaves no margin for meeting emergencies such as payment of medical services. We recognize the fact that in some instances the pension can be supplemented by the widow taking employment, but this is not always desirable or possible when she has the responsibility of caring for her children.

In 1942, under the Department of National Defence, the Dependents' Board of Trustees was established to give assistance in such emergencies to the families of enlisted men, and this has been of great comfort and assistance to a large number of families.

We urge that consideration be given to the plight of the families of deceased servicemen, and that assistance similar to that extended by the Dependents' Board of Trustees be granted them in the near future.

Very sincerely,

A. NORA McMURRAY,

President.

25 Harvard Ave.

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A letter from Mr. William Rowe of Toronto has been referred to the Committee.

Mr. Rowe suggests that, in the case of veterans who had overseas service in the last war, such service be considered as the qualifying service when the applicant for pension served in Canada only in the second great war.

A letter from Mr. R. F. C. C. Barlett of Ottawa contains the suggestion that Section 66 of the Pensions Act be amended by eliminating the deadline affecting widows.

SOLDIER SETTLEMENT ACT

Canadian Legion:

The bill under consideration lowering the interest rate for soldier settlers under the Soldier Settlement Act of 1919 meets one of the recommendations of the soldier settlement report of the dominion convention of the Canadian Legion held in Vancouver in June, 1944, in that it proposes to lower the interest from 5% to 3½%.

A further proposal recommended by this committee relates to the granting of clear titles to aged settlers or to those who had reduced their indebtedness to 25% of the original purchase price. A great deal of discussion has been carried on during the past few years respecting soldier settlers of the last war and strong representations, from time to time, have been made from various sources to solve the problem of these veterans by granting them clear title to their farms. A debate occurred in the House of Commons recently on this subject and many members spoke in favour of the proposal. Representations by soldier settlers through the Legion have followed similar lines and the following resolution is submitted for the consideration of this Committee:—

Therefore be it resolved that, in order to be fair to our aging veterans and to bring the old and the new settlement acts more into line, the Dominion government be asked to readjust the debts of the 6,153 original soldier settlers who have not paid for their lands, such readjustment to take into consideration the difference in interest rates charged under the said acts; and that following such readjustment the government be further asked to cancel the debts of those original soldier settlers whose debt has been, or may hereafter be, reduced to 25% of the original purchase price or the reduced purchase price.

Clear Titles to Widows

The position of the widows of soldier settlers has long been a problem with the Canadian Legion. There is a strong feeling that a family left destitute should be permitted to remain on the farm. The present practice is to dispose of the farm and pay the widow any equity that may be due to the estate. Experience indicates that in a very large number of instances the amount available to the family is practically nil.

MEDICAL TREATMENT

National Council of Veteran Association in Canada:

3. Medical Treatment

(a) *Hospital accommodation:* We strongly urge that every effort be made by the government of Canada to provide adequate accommodation and suitably designed hospital units up to modern accepted standards. We do not understand all the reasons for delay in the building of necessary modern hospitals for the treatment of ex-service men, especially those of the recent war. The best hospital staffs in the world achieve better results under ideal conditions than

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otherwise. At the end of the first great war, with no previous experience to guide, there may have been some excuse for the opinion that veterans' hospitals would at most be temporary. Surely in the past thirty years we should have learned the fallacy of that view. In our opinion proper hospital accommodation for the treatment of our casualties of the recent war should take priority over all other building programs.

(b) *Medical Staff:* We strongly recommend that the Department of Veterans Affairs should be given the greatest possible freedom and authorization in selecting and maintaining medical staffs, of the highest possible standards for the treatment of all casualties and ex-service men in and out of hospitals. In this connection, we believe that apart from the administrative staff, it will be in the best interests of medical personnel and of the patients that permanent civil service appointments be avoided. We further believe that the closest possible co-operative relationships should be maintained between all departmental hospital units and the medical faculties of universities, which constitute, perforce, the focal points of advanced thought and technique in the medical profession. We have been encouraged by the outstanding evidence of the value of recent developments in modern medical science in the treatment of our war casualties. We are anxious that the most up-to-date developments should at all times be available to ensure the best possible service for those whose physical and mental rehabilitation is such a vital factor. We further urge that every attention be given to maintaining relationships between the patient and treatment staff on the same high plane as is the case with civilian patients in private hospitals.

(c) *Records*—We strongly urge that the files of each ex-service man, especially those who served in the first and recent great wars, should be reorganized so that one medical docket contains all medical documentations.

Men who have served in the first great war and who have required much treatment and other considerations have in a great many cases voluminous file records ranging from two to twenty volumes. Medical records are scattered throughout this vast conglomeration. When occasion requires medical consideration of the case, often under emergency conditions, the departmental medical officer or a specialist must wade through a vast amount of irrelevant material, if he wishes to be thorough in his review of the patient's history and avoid missing some essential item. In some cases it takes hours to make this thorough review. If all medical records were contained on the medical docket and attached to the latest volume of the man's file, the reference would be simplified; a great deal of time saved and a more understanding approach to the need of the patient would be possible. This applies particularly in the case of outstanding specialists whose services may be desired and who do not have the time to examine a voluminous collection of departmental files. This difficulty also will apply later in the event of consultants' opinion being required in respect to treatment for pension entitlement and so forth.

(d) *Medical treatment post-discharge.*—We strongly urge that ex-service personnel in their home communities should be free to choose a medical practitioner.

We have long objected to the departmental policy of selecting one doctor in a community to whom all veterans in the area must report in case of an emergency or ordinary treatment requirements. We feel very strongly that the department should complete an agreement with the Canadian Medical Association under which an adequate tariff of medical fees could be defined, and medical practitioners agreeing to the tariff should be listed on the treatment panel in each community. The ex-service men in each community may then on enquiry ascertain the list of practitioners on the panel in his community and may then make his own choice. This practice would be of the greatest possible assistance, especially under present day conditions. Large numbers are being discharged in every district, all of whom are entitled to free treatment for any condition

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during the first post-discharge year. At the same time there is a dearth of medical services available throughout the country, due to so many of our medical practitioners being still on active service. This practice would relieve much of the congestion at department centres where available medical staffs are now almost hopelessly overloaded. Similar arrangements should be made in respect to dental treatment where ex-service men and members of the profession are labouring under equally serious difficulty.

Citizens' Rehabilitation Council of the City of Edmonton:

Medical Treatment:

Unless a veteran is a pensioner, his treatment is limited definitely to one year after discharge.

This Council feels that any veteran who has served in the forces and who has contracted some ailment while in service which necessitates continuous hospitalization, he should be given free medical attention for as long as the ailment exists.

Canadian South African Veterans, Vancouver Commands:

We feel very strongly in regard to the red tape and favouritism required in order to get non-pensioned veterans hospital treatment. At present, at least in Vancouver, a non-pensioned veteran who needs hospital treatment must be a war pensioner, be a pauper or know someone with enough political pull to cut the red tape of the present procedure.

In connection with this question of hospital treatment for all veterans who require such treatment may I point out that while the writer was living in California, the U.S.A. hospital, at Sawtell, just outside Los Angeles, was good enough to take into their hospital any Canadian veteran who needed treatment. At the time I speak of there was no provision made by Canada to take medical care of any Canadian veterans living in the United States. The American hospital knew that they could not look forward to being repaid for the care they gave to Canadian veterans, but in spite of this, they never refused to take any sick man we sent them. It is my understanding that since that time provision has been made for the treatment of sick Canadians resident in the United States.

Canadian Legion in U.S.A.:

Medical Service for Other than Pensionable Disabilities

After world war I, Canada made arrangements with the United States Veterans Administration for medical treatment in the United States for Canadian veterans with pensionable disabilities. A similar arrangement is being attempted for veterans of world war II, under the above mentioned bill. The arrangement could also be extended to cover medical attention for non-service conditions to the same extent as provided in Canada. The United States Veterans Administration has doctors located in various communities who could undertake the providing of the treatment.

ASSISTANCE FOR SMALL BUSINESSES

Canadian Legion:

ECONOMIC PROBLEMS

It is generally conceded that Canada's rehabilitation program can only reach ultimate success if a condition of full employment can be maintained in peacetime. All veterans are anxious that the government's rehabilitation measures shall be made effective as quickly as possible. Veterans, with the

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rest of the working population of Canada, will judge reconstruction efforts by the amount and nature of the work available and the wages to be paid. There is a general conviction that new kinds of services and products must be developed and that small enterprises must be set up in every part of Canada, to provide employment.

While foreign trade is essential to our prosperity, nevertheless the conviction also exists that home market possibilities should be more adequately developed.

The Legion has already received much evidence that veterans who were in small businesses before the war are encountering great difficulty in re-establishing themselves therein, notwithstanding the priority which the Wartime Prices and Trade Board gives them in securing supplies. These wartime controls at present operate in such a manner as to prevent many veterans who have the necessary capital seeking re-establishment in small businesses. It seems likely that before these controls can be lifted much of this capital will have become dissipated and the opportunity of these veterans entering their chosen business will no longer exist unless some assistance is given.

It has been demonstrated in a large number of instances that the re-establishment credit is inadequate for small business enterprises and only a very few veterans will be able to make use of it effectively in this field.

The Legion, therefore, recommends:—

- (1) The use of the Industrial Development Bank Act to finance veterans to enter small businesses;
- (2) That the government develop a policy of fostering small enterprises, furnishing research, technical advice and assistance to enter foreign trade, and generally make available to small business what big business because of its large resources can furnish for itself.

The Legion asserts that if private enterprise is to succeed in this country then there is a need to develop more employers, to find jobs for job seekers, and the development of small businesses is one way to accomplish this.

- (3) That the Industrial Development Bank Act be amended to provide such a service to veterans and that the necessary machinery be set up to provide the services referred to in recommendation (2).

At this point I think it appropriate to warn the government that while measures such as the out-of-work benefit and unemployment insurance are of some help, a sharp return to unemployment on a large scale would be bitterly resented by veterans and workers alike and might lead to serious trouble.

National Council of Veteran Associations in Canada:

15. Assistance for Small Businesses

We recommend that consideration be given to the development of a small business act under the provisions of which the discharged ex-service man who does not wish to make application for an educational or training course, or consideration under the Veterans' Land Act, may receive assistance supplementary to his re-establishment credit, subject to necessary safeguards for the man and government of Canada.

We have realized that there is a group of ex-service men who may not have the inclination, or experience, to take advantage of the Veterans' Land Act, or to continue education, or to take up vocational training, but who are anxious to settle down in some one of a large variety of business undertakings. These men at the present time may receive no consideration or assistance beyond that which may be available through their relatively more limited re-establishment credit. While we recognize the difficulties in the way of making adequate provision for the great variety of cases involved, we do feel that every effort should be made

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to provide opportunities to men in this group reasonably equivalent to those enjoyed by men in other groups. We are strongly impressed with the desirability of maintaining and encouraging the small business in our economic scheme. We know of no more deserving group than ex-service personnel to be encouraged in this field.

NOTE: Attached hereto as Appendix A will be found the recommendations of the Toronto Reconstruction Council.

APPENDIX "A"

TORONTO RECONSTRUCTION COUNCIL

INTERIM REPORT No. 3

TO

THE CITY COUNCIL OF THE CORPORATION OF TORONTO

A Proposal for the Re-establishment of Veterans in Small Businesses (1)

Our Committee on Rehabilitation of Members of the Armed Forces, of which Mr. G. Fay Davies is Chairman, wish to submit the following report.

Under the Veterans' Land Act, 1942, the dominion government has established the principle of granting financial assistance, on discharge, to those members of the armed forces who wish to establish themselves in the farming industry. The population of Canada is roughly divided on an equal basis, half rural, half urban. However, the government has not recognized the necessity for giving similar assistance to that other half of the armed forces who may wish to re-establish themselves in their own business in urban industry. Three-quarters of the urbanites get their living by working for others and from investments. One-quarter of the Canadian urban population (over one million Canadians) make their own living from their own businesses.

For the purposes of this report, small businesses will be considered as those manufacturing, wholesale and retail establishments employing less than fifteen workers.

An analysis of industry in Canada brings out the following factors concerning small business enterprise, as defined above:—

- (1) In 1941, small businesses maintained 161,000 establishments. This represents 94 per cent of the total number of manufacturing, wholesale and retail businesses.
- (2) In 1941, small businesses provided employment for 530,000 workers. This represents 37 per cent of the 1,400,000 employed by all manufacturers, wholesalers and retailers.
- (3) In 1941, small business sales volume was \$3,500,000,000. This represents 27 per cent of the total industrial sales volume.

A high standard of living in any community is dependent upon full employment—the estimated excess of exits over entrances in 1941 was 2,600, in 1942 was 7,000, provide employment for the members of the community, encouragement should be given to their establishment, or re-establishment, within the bounds of sound economy.

Normally, the number of new business enterprises commencing operations slightly exceeds the number of failures and exits. This condition ceased to exist with the introduction of W.P.T.B. Order 184 and was aggravated further by the more stringent regulations of W.P.T.B. Order 284. Thus, instead of a

(1) This report is indebted to the New Jersey State Commission on Post-War Economic Welfare, and the Princeton Surveys for use of their studies in the preparation of this report.

normal annual increase of businesses of approximately 3,000 establishments, the estimated excess of exits over entrances in 1941 was 2,600, in 1942 was 7,000, and for the first five months in 1943 was 4,300. It will therefore be seen that at the close of the war there will be a considerable number of dormant or closed businesses that under peacetime conditions could be re-established as part of a sound economy. (Appendix A gives a list of small active business enterprises to which this plan might apply.)

Under these conditions, civilian industry is faced with a period during which new enterprises or replacements will be only a small percentage of the failures and exits. The failures (i.e. with financial losses) dropped from an average annual rate of about 1,500 during the previous year to 882 in 1941, 609 in 1942 and 89 in the first five months of 1943.

The principal causes of the majority of wartime business casualties are:

- (1) Shortage of supplies.
- (2) Shortage of manpower.
- (3) Restriction of activities resulting from government policy.
- (4) Less profit incentive in maintaining own business versus employment in a war plant.

It is easy to visualize from the above that the re-establishment of small enterprises after the war can play an important part in providing employment and contributing to the strength of the Canadian economic structure. Measures to encourage the rapid re-establishment of the small unit can:

- (1) Provide immediate post-war employment of worthwhile proportions through absorbing manpower directly, and through demands for materials and products requiring the employment elsewhere of manpower for their creation.
- (2) Provide permanent and continuous employment, as distinct from temporary employment on government projects.
- (3) In many cases, provide employment for otherwise unemployables, i.e. partially disabled veterans in certain types of retailing outlets and manufacturing concerns.

It has been shown that small businesses compose 94 per cent of all urban industry, and that there has been a high mortality in small businesses due to war causes. It would appear, therefore, that an opportunity exists for the dominion government to assist in the re-establishment of these small businesses by making loans to ex-service personnel whose service record has shown them to be trustworthy, and whose previous experience or technical knowledge provide the necessary qualifications to undertake such a venture.

This report proposes that the federal government shall make provision for the establishment or re-establishment of veterans in small business enterprises through a Veterans' Small Businesses Act, by which the government would provide a limited guarantee to encourage the lending of money for such purposes.

In any plan several factors would need to be considered:

- (1) Is the contemplated enterprise needed in the economic life of the community?
- (2) Is the ex-service man or woman who intends entering such a business enterprise qualified, either by temperament or experience, to operate such a business successfully?
- (3) Is the financial commitment required by the dominion government likely to be reasonable?
- (4) What amount of capital is likely to be required for the successful operation of the business contemplated?
- (5) What proportion of the required capital is available to the applicant without recourse to borrowing? Funds borrowed do not create capital but rather a liability.

In order to satisfy these requirements, it is suggested that the lending required by the plan be undertaken by the commercial and banking institutions of Canada, aided by a government guarantee. The local bank manager in each community and the credit managers of commercial companies are excellent judges of the need for any such enterprise, and are good judges also of the qualities essential for success in any individual who is entering such a business.

Consequently, it is suggested that the form of government aid proposed consist of a grant, together with a limited guarantee supporting bank loans. The plan would provide:—

- (1) That any man or woman, an ex-member of the armed forces during the present conflict who has volunteered for active service, be eligible for benefits.
- (2) That any bank or other creditor may accept or refuse any loan or extension of credit to any such borrower.
- (3) That an investment must be made by the applicant of part of the capital required. Arrangements should be made for gratuity payments to be commuted for this purpose, if necessary.
- (4) That the government make a grant equal to the amount provided by the applicant on a low interest rate, long-term amortization basis.
- (5) That in case of default the government rank, with respect to their grant, as an ordinary creditor.
- (6) That a suitable maximum limit be set as to the amount that can be borrowed.
- (7) That a guarantee of 10 per cent of any loans made by the bank be provided under the Act. This amount would be extended as a guarantee to the bank and would be 10 per cent of the amount originally extended and be payable to the bank in the event of default and bankruptcy proceedings.
- (8) That the bank maintain its present provisions with respect to securing assignment of assets for support of such credit.
- (9) That a statement of the amounts to be borrowed under this Act be filed with an appropriate officer of the Department of Veterans Affairs and the approval of this department be secured before loans are granted under the Act.
- (10) That the Canadian Credit Men's Trust Association be asked to set up committees to provide a counselling service and to advise the officers of the Department of Veterans Affairs, and to make available their facilities with respect to solvency of small businesses which borrow money under the Act.
- (11) That, where advisable, vocational training be introduced before any such loans are made to any applicant, such vocational training to include a knowledge of accounting and business practices.

It is contemplated that the procedure for making a loan will be somewhat as follows:—

The applicant, who is an ex-member of the armed forces, will contact a vocational guidance counsellor of the Department of Veterans Affairs, to consider the advisability of entering into a business under the provisions of the Act. Where need for vocational training is indicated, this will be provided under the ordinary vocational training plan. The applicant will then be directed to a bank manager who will investigate the need in his community for a business of the type proposed. If the bank manager considers the establishment of such a business advisable, he will refer the matter to the committee of the Canadian Credit Men's Trust Association which has been set up for this purpose. The amount of the capital necessary will be ascertained and the applicant will make arrangements for the renting of space and the purchasing of basic equipment. The

possibility of further credit facilities will also be explored, and on completion of arrangements, the application will be forwarded to the appropriate officer of the Department of Veterans Affairs. If, as a result of the recommendations made, the application is approved, the government will forward a cheque to the bank for the amount of their grant (equal to the capital investment of the applicant), and the bank will then be empowered to extend full credit facilities up to the amount they deem advisable. The amount of the government guarantee will be fixed at this time, having regard to the amount of bank credit asked for.

Upon completion of this procedure, the commercial houses will then be able to ship goods and extend credit to the applicant.

It would appear advisable to establish a limit to the maximum amount of the applicant's own contribution and the grant of the government.

In the event of default the ordinary procedures will then be followed, but the bank will have a guarantee for an amount stated in the original form of approval, and the other creditors, including the government with respect to its original grant, will rank equally as ordinary creditors.

The services of the Canadian Credit Men's Trust Association will be most valuable in the operation of the plan for the following reasons:—

- (a) They are well aware of the need for new business enterprises of the type required in each particular community.
- (b) They are good judges by experience of the amount of training required and of the character of the applicant and his probability of success.
- (c) Their recommendation of the venture will assist the applicant in securing credit from the ordinary commercial concerns with whom he may wish to do business.
- (d) The Canadian Credit Men's Trust Association can provide regular audits, if required.
- (e) In the event of default they will have an established history of the concern which will enable them to handle the matter expeditiously.

In order that this plan may receive consideration as soon as possible, this interim report is hereby respectfully submitted.

TORONTO RECONSTRUCTION COUNCIL INTERIM REPORT NO. 3 TO THE CITY COUNCIL OF THE CORPORATION OF TORONTO

A PROPOSAL FOR THE ESTABLISHMENT AND RE-ESTABLISHMENT OF VETERANS IN SMALL BUSINESSES

APPENDIX "A"

Types of Small Businesses to which this Proposal might Apply

| | |
|--------------------|--------------------------------------|
| Advertising | Artists Material Manufacturers |
| Display | Automobile Dealers |
| Radio | Automobile Body Repairing & Painting |
| Novelties | Automobile Electrical Servicing |
| Airconditioning | Automobile Batteries and Parts |
| Amusement Places | Automobile Brake Service |
| Animal Hospitals | |
| Anodizing | |
| Antiques | Bakers |
| Appraisers | Barbers |
| Armature Rewinding | Blacksmiths |
| Art Needle Work | Boats |

Printed at p. 502.

See also p. 479.

| | |
|----------------------------------|----------------------------|
| Boxes | Landscape Gardeners |
| Builders and Construction | Laundries |
| Butchers | Machinists |
| Cabinet Makers | Movers |
| Canvas Goods | Musicians |
| Carpenters | Needle Work |
| Cartage and Express | Paint |
| Caterers | Dealers |
| Cleaners and Dyers | Importers |
| Cloaks and Suits | Painters & Decorators |
| Clothing | Pattern Makers |
| Coal and Wood | Photographers |
| Commission Merchants | Plumbers |
| Cooks | Printers |
| Dairies | Radio Supplies & Equipment |
| Delicatessens | Real Estate |
| Draughtsmen | Restaurants |
| Dressmakers | Roofing |
| Drug Stores | Saddlers |
| Dry Goods Stores | Salesmanship |
| Electric Equipment | Secretarial Services |
| Electricians | Service Stations |
| Engravers | Sheet Metal |
| Fish and Chips | Shoemakers |
| Fish Retail | Shoes |
| Fitters | Retail |
| Floors | Repairing |
| Florists Retail | Stationery |
| Forwarding Agents | Stokers |
| Fumigating | Surveyors |
| Fur Business | Tailors |
| Furnace Repairs and Installation | Taxi |
| Furniture | Tires |
| Grocers Retail | Tinsmiths |
| Guest Homes | Tobacconists |
| Hairdressers | Toolmakers |
| Hardware Retail | Transport |
| Hobbycrafts | Turners |
| Homecrafts | Typewriters |
| Home Improvements | Upholstery |
| House Furnishings | Vacuum Cleaners |
| Insulation | Variety Stores |
| Insurance | Vulcanizing |
| Interior Decorators | Watchmakers |
| Importers | Welders |
| Jewellers Retail | |

Citizens' Rehabilitation Council of the City of Edmonton:

This Council is of the opinion that loans should be provided by the Government for the purpose of assisting Veterans to engage in small businesses who have no security to offer other than their past experiences in business.

We are aware of Re-establishment credits and Awaiting Returns benefits, but there is no provision made for them over and above the benefits referred to.

Extract from a letter from John Foreman, Arden, Man.:

I had proposed writing to you about a matter concerning returned men who are qualified for the electrical wiring of houses. Hydro is coming into Arden, and two returned men are starting up in Neepawa as electrical contractors, and we have a man in Arden lately returned who is hoping to get into the same business. These men are held up in obtaining material required in their work. At first, because they had no quota based on previous purchases, and now because material in many lines are not available. The local rehabilitation committee has taken the matter up with headquarters at Winnipeg. There will be a vast amount of quite profitable work for such men now that Manitoba Hydro is extending but some action should be taken to see that they have a fair share of material when it is available. They should, in fairness, have a measure of priority, because, while they are held up at present, those who have stayed in the business during the war, have fairly adequate stocks with which to carry on at present.

Canadian Legion:

WAR ASSETS

The Legion believes that certain war assets can be of great value in the rehabilitation of Canadian veterans. The experience of many veterans seeking various items that can be used in either establishing themselves in business or in the practice of a trade or profession has not been very encouraging since all war assets must be distributed through dealers representing the industry involved. Veterans either have no knowledge of what can be obtained through the War Assets Corporation or when anything useful to them can become available. Efforts are now being made to overcome this difficulty and to devise some means of channelizing war assets to veterans without interfering with the policy of distributing the material through trade channels. The veteran, however, feels that he should have direct access, and further that any material he can purchase for rehabilitation purposes should not be subject to a dealer's profit.

The Legion believes that, first of all, a policy should be established of utilizing surplus war materials in connection with the rehabilitation of veterans wherever it can be appropriately applied and that a suitable method be developed for making them available at reasonable prices.

The Legion recommends that some provision be made in the war assets legislation to permit the corporation to deal directly with the veteran in respect to commodities required for rehabilitation purposes and if, after a thorough investigation, this is not found to be practical, then the Legion urges that ex-service men be given a first-priority certificate which dealers shall be required to honour and that a rebate of the difference between the corporation's selling price and the dealer's selling price be made to the veteran by the government and further, that steps be taken to publicize among veterans the availability of materials for rehabilitation purpose so that priorities can be made effective.

HOUSING

Canadian Legion:

The Legion does not need to emphasize the fact that housing conditions throughout the country are extremely unsatisfactory. Efforts now being made to rectify conditions do not appear to be very successful due to rising costs, shortage of materials and lack of labour. Measures adopted to relieve the situation seem to have resulted in competition between private building

Printed at p. 289.

and building by Wartime Housing and Veterans' Land Act Administration. The main sufferers in this situation are veterans who are endeavouring to build their own homes. Stocks of materials lie idle in the custody of Wartime Housing or the Veterans' Land Act Administration while private building is brought to a standstill.

The Legion recommends that steps be taken to free idle stocks under the control of government agencies, which cannot be utilized immediately, for the use of veterans building their own homes.

It is also apparent that the present rate of building houses is totally inadequate to meet the emergency needs. The Legion feels that a more aggressive housing policy and program is necessary. It may well be that some time must elapse before materials become available and sufficient labour enters this field of activity to make building of the type of houses desired possible on a large scale.

The Legion therefore recommends that the government adopt a policy of providing rapidly constructed low cost emergency shelter for rental, to meet emergency needs during the next two years.

It is clear that Wartime Housing is both inadequate to meet the present emergency or to supply the needs of veterans in the low income groups either in respect to houses for rent or purchase.

The rapid return and demobilization of our forces from overseas has already created a critical situation in respect to immediate shelter, which must become worse as larger numbers become demobilized each month. Many localities are faced with a complete lack of accommodation. This situation will inevitably result in serious trouble.

The Legion recommends that the government exercise its powers of control to meet this shelter emergency in the same manner that they organized for the war emergency. The Legion is not convinced that all possible buildings, suitable for emergency shelter, have been made available from private sources or from military, and other government establishments. The speeding up of the release of such establishments should be undertaken immediately, particularly when they are situated where they can be utilized for emergency shelter.

As a long-range program of veterans' housing, the Legion submits that the principles of the Veterans' Land Act should be applied to urban housing. The popularity of the small holdings feature of the Veterans' Land Act has given it the character of a rural housing scheme and although this probably was not the intention when the Act was conceived, it is quite obvious that a need can be met by the extension of the Act to cover urban housing. While the shortage of material and labour is seriously affecting the progress of Veterans' Land Act undertakings, nevertheless this condition will be overtaken as time goes on and there is no doubt that a large number of veterans desire to take advantage of its provisions if they can be extended to take in urban housing.

The Legion is chiefly concerned with low-cost housing. The provisions of the National Housing Act may be adequate to take care of the needs of men in certain income brackets but thousands of veterans will be seeking homes the monthly cost of which, including taxes, will be within their capacity to pay. Among this group will be men who served in the two wars, in the Veterans' Guard or other units, either in Canada or overseas and who may eventually receive either a dual service pension or war veterans' allowance. The Legion recommends the building of suitable homes for veterans in these groups or with lower incomes, either in rural or urban areas.

Some steps have already been taken to build under the Veterans' Land Act within city limits under special arrangements with the civic authorities. Similar arrangements could quite appropriately be made to cover house building for veterans in other parts of the city.

Printed at p 286.

There is also a case for extending the principle of The Veterans' Land Act to veterans' housing in more costly areas. While it is true that on a farm or a small holding the veteran has to earn his living directly from his purchase, nevertheless a home to a city worker is equally essential to promote his earning capacity. While the operator of a farm may be subject to the hazards of weather, change in markets and other difficulties, experience indicates that the urban worker suffers no less from business conditions over which he has no control which may result in periods of unemployment or intermittent employment which do not provide an adequate living. There seems to be no good reason, therefore, why one veteran should not receive similar benefits to the other in respect to the purchase of a home relating to his re-establishment.

The Legion, therefore, recommends that provision be made under The Veterans' Land Act to permit the purchase of housing up to a value of \$6,000 with similar conditions as contained in Section (9) of The Veterans' Land Act.

The release of men and women from the fighting services, together with the termination of employment in industry created for war purposes, is constantly aggravating the problem of normal employment. It is apparently correctly stated that many industries need employees and, on the other hand, that suitable accommodation is not available where work can be obtained. It is therefore evident that problems connected with housing and employment should be given joint consideration.

A concrete example is to be found in the construction industry where, in the larger centres, a great deal more activity would be possible except for the lack of building materials, particularly lumber. The shortage of lumber, however, cannot be overcome until sufficient men are available to go into the woods and provide logs, also to man the sawmills.

To correctly gauge this situation it must be realized that both conditions and requirements have materially changed. In the years preceding the outbreak of war men were available who were content to accept the conditions for single men in the camps of employing companies. To-day the majority of those requiring employment are married, but find that homes, even of the most modest type, are not available in areas where work can be obtained. It must be accepted that such men cannot, either from an economic or social point of view, work in one part of the country and live in another. There is the further condition of large numbers of men who were single prior to enlisting and now being married cannot return to their former employment unless married quarters are made available.

In the majority of cases men seeking employment would gladly accept work of a permanent nature outside the cities, provided their families were assured of reasonable housing and other amenities.

This is undoubtedly a condition handicapping, more than any other, the development of primary industry and the provision of full employment. The solution must apparently be found by the government, which has accepted responsibility for the rehabilitation of ex-service personnel, in conjunction with employers who must of necessity extend the full measure of co-operation.

In sawmill logging, mining, and other industries of a comparative nature, it should be feasible to provide family accommodation, possibly of the pre-fabricated type, which could be moved when necessary. Accommodation of this kind would be rented to employees at reasonable rates and return a splendid dividend to the employers by ensuring stability of employment.

The people of Canada are worried over the shortage of labour and materials in the construction industry. The adequacy of housing and availability of employment are intimately connected in many areas and an inquiry into

this aspect of the problem should also be made. The Legion recommends that the Government immediately undertake an inquiry to ascertain the reasons for this condition, and apply remedial measures forthwith.

A resolution received from the Medicine Hat, Alta., Branch of the Canadian Legion contains similar recommendations.

National Council of Veteran Associations in Canada:

17. Housing

We strongly recommend that the government of Canada should utilize every possible practical avenue for providing rental housing for ex-service men and their dependents, especially in the larger centres where housing shortages were critical even before demobilization began and under present conditions actually jeopardize the success of rehabilitation provisions of such ex-service men; and further, that the government should also take immediate steps to utilize or develop temporary emergency housing provision to relieve in some measure the general housing problem of ex-service men.

We have been impressed with the trend of housing shortage which has been going on since 1940. First, the shortage arose because of the transfer of workers due to wartime industry. Second, to this difficulty was added shortage of material and labour for the building of housing accommodation. Next, the abnormal increase in wartime marriages and consequent desire to establish homes. Finally, the aforementioned shortages have not been met but have been actually increasingly aggravated until, at the present time, due to rapid demobilization, the whole situation becomes exceedingly acute.

We are familiar with and endorse the recommendations of the Canadian Corps Association in their brief to the Canadian Federation of Mayors and Municipalities and it is here presented as Appendix "B".

We believe that young men, who are forced by circumstances to take their education or vocational training in one of our larger centres, should not have to purchase homes at high prices and thus imperil their savings, war service gratuities and re-establishment credits often with little hope of realizing anything like the value of their equities. This housing problem has already discouraged many ex-service men from taking advantage of government re-establishment provisions, and in other cases has led them into housing investments which will be subject to very serious discount by the time they have finished their courses. We are anxious that our service men should not only benefit to the fullest extent from the generous rehabilitation provision which Canada has made available, but that they should be protected against the unfortunate consequences of a condition which has arisen due to wartime exigencies and during their absence on service.

We are also familiar with discussions which have occurred in respect to the possibility of the National House Builders Association undertaking active building under an arrangement with the government for rental purposes during this emergency. We urge that the government investigate this proposal as a means of securing **more rental accommodation** to help solve the present housing crisis.

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APPENDIX "B"

TORONTO, ONTARIO,
27th June, 1945.

BRIEF
PRESENTED TO

THE CANADIAN FEDERATION OF MAYORS AND MUNICIPALITIES BY
THE CANADIAN CORPS ASSOCIATION (DOMINION COMMAND)

Housing was a problem prior to the war. At that time, several surveys and reports were made of a qualitative type. These reports pointed out that many people in Canada were living in homes which were little better than hovels. Today, a new factor has been added. Now there is a definite shortage of houses. A review of the reasons for this shortage will be informative.

During the war, the restrictions on material and labour slowed up the building of sufficient houses. Winning the war was a primary consideration and this limitation was a completely necessary although undesirable condition. As a result of these shortages, fewer homes were built during wartime than would otherwise have been the case. At the same time, the shortage of labour together with the increased production due to war effort, brought many persons into urban areas who previously had been living elsewhere. According to Department of Labour figures Canadian workers increased from 3,793,000 in the year 1939 to a total of 4,318,000 in 1944. Non-agricultural workers increased from 2,568,000 in 1939 to 3,293,000 in 1944. This new group of over seven hundred thousands workers had to be housed in cities and towns near their work.

To some small extent this increased demand for housing was met by the temporary houses built by Wartime Housing Limited. In areas where little or no previous accommodation existed such construction was essential. However, not all cities shared equally in this program. In some of the larger cities—as, for example, Toronto—there were no wartime houses built prior to the demand for such housing for servicemen.

The influx of war workers created additional problems. Many war workers had money and, in order to find a place to live, and in some cases, for investment purposes as well, they bought any available homes. More and more homes changed hands and each such home was naturally withdrawn from the rental market. This, in turn, created a greater purchaser demand for such units and eventually increased the desire and necessity to buy. It was a vicious spiral and it mounted rapidly. Throughout all this period Ottawa found it inadvisable to put a ceiling price on homes.

One group of renters suffered most during, and after, this period. This was made up of the wives and dependents of those who are serving in the armed forces. This group was, and is, least able to protect itself, physically and economically. The income of this group was low since, in most cases, its members were living on dependents' allowances. In addition, since the breadwinner was more often than not away from home the family was badly handicapped in the struggle to capture its share of the dwindling rental units which remained. The conditions under which some of the families of servicemen are compelled to live must be described as appalling. Moreover the unfilled demand for any kind of accommodation for servicemen and their families has reached a state where it can only be described as a national emergency and perhaps it should more correctly be called a national disgrace.

In the meantime, the population of Canada has continued to increase. Again quoting from Department of Labour figures, we find that, whereas the

Printed at p. 508.
See also p. 479.

total population of Canada which is age 14 years and over was 8,332,000 in the year 1939, this group had increased in number to 8,904,000 in 1944 and the best estimates which are available indicate that by 1948 the number will have gone up to 9,289,000. It is obvious that this natural increase in population would necessitate more housing accommodation even if the other factors were not accentuating the shortage. At an average of three¹ to a family in this age group, the increase in required homes 1939 will be 320,000 by 1948.

And now what about building? From 1939 to 1944 inclusive, 167,511² houses were built in Canada. In addition, 17,000 wartime houses were erected by the government. The latter, of course, were erected in specific areas where the need was greatest. On the continued assumption that we have three to a house in the age group mentioned, this would leave us approximately 136,000 homes short without taking into account new apartments. The number of apartments constructed during the same period was 1,405³ and if we average 20 dwelling units per apartment we have 28,000 dwelling units added to this total and we still find ourselves 108,000 dwelling units short.

Since the population figures quoted extend from 1939 to 1948 we must include also the proposed building during 1945 to 1948 inclusive. The government states that we can erect 50,000 houses during the first full year following "V-E" day. If we continue this rate of building for four years we shall have 200,000 homes.

The program of 200,000 houses in the years 1945 to 1948 inclusive would show a theoretical surplus of 92,000 homes in 1948 if we disregard the important factor of obsolescence.

Throughout all the period of 1939 to 1948 the factor of obsolescence has steadily been at work. Houses do not last forever and many homes which were reasonably habitable in 1939 will be far past that point in 1948. The fact that repairs and paint have been difficult to obtain has not improved the retention of the livable qualities of our houses. The period 1939 to 1948 is a ten-year period and it can be assumed that the useful life of a house will average 40 years and that, on that basis, during this ten-year period 25 per cent of our homes have become obsolescent or have ceased to be habitable under any decent standards. The total number of dwelling units in Canada in 1941 was 2,635,753. If we relate the 25 per cent obsolescence factor to the total number of dwelling units we shall have a decrease in our homes of 660,000 during the ten-year period.

Even if we cut our assumed obsolescent factor by one-half we shall have a net shortage, after the proposed four-year building program, of 238,000 dwelling units by 1948.

A fact which must not be overlooked is that no account has been taken in this summary of over-crowding or poor living standards which may have been in effect in 1939 yet several housing reports which were issued at that time in centres like Toronto showed an appallingly deficient standard of livable quality in our houses.

Stated briefly, we need to build not 50,000 homes each year but over twice that number. We shall need 438,000 new homes by 1948.

Now let us use the greater Toronto area as a basis for making estimates in connection with the effect of the shifting of employment from a war to a peace basis. If we use the data gathered by the Toronto Reconstruction Council in its interim report No. 4 we find that, using 1943 as a base, there were 334,000 workers in the greater Toronto area. Of this group, 66,900 were engaged wholly or partly in war production. It could be expected, therefore, that only these

¹ 1941 Census—Dwelling units, 2,635,753

Department of Labour—Population age 14 and over, 8,556,000

Average per dwelling unit—3.25.

² Hugh C. McLean Publications.

³ Source: McLean Building Reports.

66,900 would move and release living accommodation when the change-over took place from war to peace. Many of these will be absorbed in the increase due to the change in civilian production and, in fact, when we break down this group further we find that those who intend to leave the Toronto area number only 20,750. These figures are based on a survey conducted by the Canadian Opinion Company in the greater Toronto area. This number of 20,750 is in turn offset by the 22,320 married women who intend to cease work and set up housekeeping. Undoubtedly many of the married women are now living in doubled-up apartments or are living with their parents and, as a result, little or no relief will be brought about from that source by the return of our economy to a peace-time basis.

Now let us consider for a moment the problem of the returned man. The total number in the armed forces in Canada as at October, 1944, was stated to be 777,000. Of this number approximately 27 per cent came from M.D. No. 2. If these figures are accurate, and they are approximately so, a total of 200,000 from all services will eventually be returning to the area served by M.D. No. 2. It is difficult to estimate how many will be returning to the specific area which we have been considering, namely, the greater Toronto area. If we assume that one-half will be returning to Toronto and vicinity then we only need to estimate the number of this total who will be expecting to establish homes in this area. Some of the married women in war industry will be married to members of the armed forces who will be returning but, even if we allow for some duplication on this account, we can visualize a need for new homes in Toronto and vicinity which will lie somewhere between 20,000 and 50,000. Either figure will create a situation beyond hope of solution by any method now being proposed by any governmental authority. To say that the outlook is alarming is to state the case mildly. And we must bear in mind that this picture applies only to the greater Toronto area. What about other areas in Canada? Not all will be similarly situated, but many cities, including Vancouver, as an example, are in similar straits.

What has been done about it?

In April of 1944 the Canadian Corps Association in Ontario became interested in the housing problem and pressed the municipal authorities in Toronto for action and, as a result, 600 temporary houses were put under construction. Some of these were of the type built by Wartime Housing Limited and some were of a pre-fabricated type bought directly by the city of Toronto. More recently, an additional 600 houses have been promised and the details have been worked out through the Department of Reconstruction. These are to be built outside the limits of the city of Toronto. Credit must go to the city of Toronto for the effort which its mayor and the members of the Board of Control and City Council have put into these projects. However, we must also consider that only the surface of the problem has been scratched.

What have the federal and provincial governments been doing?

Apart from Wartime Housing, the Dominion Government has confined its efforts to the provisions of the National Housing Act, 1944. This Act provides houses for sale but does not solve the problem. In the first instance, the returning veteran frequently wants to use his war service gratuity or his re-establishment credits to buy a business or to aid his education or to continue his vocational training. He often does not want to be forced to buy a house at the present high prices in order to find a place to live. He wants to have some time to look around and he wants to have an opportunity to move from place to place until he finds his chosen peacetime work. If he is compelled to use these statutory grants to put a roof over his head much of the value of the excellent rehabilitation provisions will be nullified. Also the administrators of the National Housing Act, 1944, are wisely following the course of requiring larger down payments than the minimum 10 per cent provided by the Act.

It is true that the N.H.A., 1944, provides for low-rental housing and slum clearance but little or no progress has been made with these plans, and, to state it bluntly, even if a limited dividend corporation or a private company wanted to build something for rental, any action would be impossible right now. In the first place, there would be no units to house the displaced families while the slum clearance project was put under way. In the second place, few, if any, cities have secured legislative authority for the planning and zoning restrictions which are a part of the section of the Act dealing with low rental projects. Any hope that this section of the Act can solve the immediate problem can with good reason be placed in a remote category.

A potentially major contribution was the plan of the Minister of Reconstruction, Mr. Howe, to use the machinery of Wartime Housing Limited to build a somewhat improved wartime type house for rental purposes. It was proposed that a director-general of housing development would be appointed under Mr. Howe and, in fact, such an appointment was made. Under this plan, houses were to be built and rented to ex-servicemen. While this plan was in operation the mayor and some members of the Board of Control of the city of Toronto, at the insistence of the Canadian Corps Association; were fortunate enough to journey to Ottawa and were able to secure the promise of 600 such houses.

There need be no fear that this proposed plan will replace or displace the more permanent housing solutions which may arise from the implementation of the National Housing Act. The temporary houses are likely to be of use for some time at least until all the ex-servicemen are demobilized. And, in fact, after that time, these houses could usefully be employed to house those persons who are being temporarily moved under slum clearance projects.

There is probably no type of social reform which is as little understood both by its supporters and its detractors as housing. It cannot be safely assumed that, when more houses are built, the people who need them most will get them. And, moreover, the houses which are needed, are needed in particular areas and they are needed in a specific rental class, and, at the moment, they are needed for rental purposes. It is extremely unlikely that private house builders will solve these specific and acute problems with the very first houses which they may build.

Another great misconception which seems to be generally shared is that when a new house is built a vacancy is immediately created somewhere else. Such errors are made possible by lack of basic information of the extent of the need. We can have many new houses and not have any vacant houses. We shall have a lot of over-crowding to remedy first.

As its contribution to the solution of the immediate and pressing shortage the Canadian Corps Association is urging that the plan proposed by Mr. Howe be again reinstated. A brief, urging such an action, was sent to the leaders of all the political parties and was sent also to most of the federal candidates. So far, the results have been disappointing.

In a prepared statement on housing, Mr. Ilsley has reiterated his faith in the N.H.A., 1944, and he says he is relying on the Veterans' Land Act as well.

There is, however, a ray of hope in the following statement: "In addition the government, through Wartime Housing Limited and by agreement with various municipalities, has already built 1,123 houses of a permanent or semi-permanent type for rent to ex-members of the armed forces or to dependents of those still in the forces, and has another 1,414 houses under construction or under negotiation. Plans for several hundred more have already been submitted for government approval. These houses are over and above some 17,000 wartime houses built for workers in war plants."

In May a new inter-departmental committee of senior government officials to co-ordinate housing activities in Canada was announced jointly by the Minister of Finance and the Minister of Reconstruction. This committee had, among other objectives, the provision of housing accommodation for veterans and for dependents of personnel in the armed forces as well as the provision of emergency housing. This interdepartmental committee has the responsibility of determining where government effort should be directed in order to solve our housing problems. The Canadian Corps Association (Dominion Command) urges that this inter-departmental committee undertake immediately the construction of a minimum of 50,000 houses of a permanent or semi-permanent type to be built by Wartime Housing Limited or some other available agency or agencies, and to be rented to returned members of the armed forces and their dependents.

This brief is submitted to the Canadian Federation of Mayors and Municipalities for the reason that only by the co-operation of the municipalities throughout Canada with federal government authorities can this plan be made effective. The Canadian Corps Association is of the opinion that the data which is herein presented indicates an existing and impending housing shortage in Canada the proportions of which may not fully be realized by many of the agencies whose responsibility it is to deal with the problem.

The Canadian Corps Association believes that the soldiers and their dependents, by reason of income and by reason of the absence of the breadwinner due to service in the armed forces, constitute a group least able to protect themselves in the search for almost non-existent housing accommodation. The Canadian Corps Association believes that if, as the government has stated, only 50,000 housing units can be provided in the first full year following "VE" day by reason of shortages of men and material, then this number of houses should be built of a particular type in specified areas on a rental basis and set aside for returned members of the armed forces and their dependents.

The Canadian Corps Association urges that the Canadian Federation of Mayors and Municipalities use its influence to urge upon the federal government the need for immediate action.

G. F. DAVIES,

President.

ARMY AND NAVY VETERANS IN CANADA, B.C. PROVINCIAL COMMAND

Whereas, in view of the recognized seriousness of the present situation which will become more and more aggravated as further demobilization is effected;

And Whereas, although the present housing program is commendable, it is far from satisfactory;

And Whereas, with sufficient materials being apparently available for construction of houses with the necessary priority;

And Whereas, the excessive amount of materials no longer being required for military camps;

And Whereas, it is the opinion of this meeting that the present control of construction of houses is primarily responsible for the present critical housing shortage;

And Whereas, it is also the opinion of this meeting that under the present program a discharged veteran is being compelled through force of circumstances to accept a house under this scheme whether the design or location suits his wishes or not;

Be it therefore Resolved, that the Provincial Command of the Army and Navy Veterans in Canada hereby petition the representatives in Parliament

from Greater Vancouver to sponsor the immediate removal of Federal Control from private contractors and Insurance Corporation Control and facilitate equitable distribution of material to ex-service personnel.

PREFERENCE IN EMPLOYMENT

Civil Service Commission

VETERAN PREFERENCE

FOR EMPLOYMENT IN THE CIVIL SERVICE

Veterans of the Second Great War have the same preference for employment in the Public Service as those of the First Great War, the only difference being the fact that they must have been residents of Canada at the time they became members of the Armed Forces.

In other words, residents of Canada who have served with the naval, military and air forces of His Majesty and any of His Majesty's Allies on active service overseas, or on the high seas in a sea-going ship of war, are entitled, if they apply for employment in the Civil Service and succeed in passing the necessary examinations, to preference for employment therein above all others who have passed the same examinations. Among such veterans a further preference is given to those who have been disabled while in the Armed Forces to such an extent that they are unable to resume their pre-war avocation and have not otherwise been satisfactorily re-established. This disability preference includes persons disabled in Canada. The preference to the widows of persons who have died as the result of service in the Forces is also continued.

While this application of the preference has been generally accepted both by the Armed Forces and by the people of Canada, a number of suggestions have been made as to modifications or extensions of the present policy.

One such suggestion has been that the preference should be extended to all persons who volunteered for service in the Armed Forces, irrespective of the field of service. This suggestion, together with a number of others, has been given careful consideration by the Advisory Committee on Rehabilitation and Re-establishment and by the Cabinet Committee on Demobilization and Re-establishment. It has been generally felt that the primary desire of Parliament and of the country was to express some measure of appreciation and gratitude to those men and women who actually risked their lives in time of war in the defence of their country, and with this background in mind it was felt that an extension of the preference, which would have the effect of reducing the number of positions available for such "risk" and "combat" veterans, would not be desirable.

It was similarly felt that a secondary preference to members of the Forces who had served only in Canada would encounter difficulties in securing public support, on account of the fact that it would virtually exclude from employment in the Public Service a large number of other workers who through no fault of their own had not been in the Armed Forces, including munition workers, persons frozen in industry, and the general body of citizens who because of age or physical unfitness were unable to enlist in the Armed Forces. Even with the present restricted preference, these classes will have little opportunity of securing Government employment on any large scale for some time.

The general conclusion on the matter has accordingly been that an extension of the preference to include all persons who had served in the Forces would not be justified.

Another suggestion was that as the policy did not cover even all the "risk" veterans, it should at least be extended to provide for veterans in those zones

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of such service which arose during this war and which did not exist at the time of the Great War. A good example of these are service on coastal patrol in the R.C.A.F., service in the Aleutians in the Army, and the service of naval ratings as gun crews on merchant vessels. It was felt that changes in this direction were justified, and in accordance with the recommendation of the Advisory Committee the Minister of Veterans Affairs announced some days ago that steps would be taken to improve conditions in this regard.

The preference has effected the employment of a large number of veterans in the Public Service. The stream of applicants was naturally smaller in the earlier years of the war, but has increased materially in 1945 and will probably reach a maximum in 1946. The number of veteran assignments in the war years is as follows:—

| | |
|-------------------------|-------|
| 1939 | 1,833 |
| 1940 | 2,504 |
| 1941 | 2,804 |
| 1942 | 3,701 |
| 1943 | 4,119 |
| 1944 | 4,039 |
| 1945 (to Nov. 30) | 9,200 |

As an example of the increased volume of veteran applications and veteran appointments, the number of veteran appointments in November last was 1,489, which is 80 per cent of all male appointments, the remaining civilian males being appointed only to positions in which veterans were not interested, or for which qualified veterans could not be found.

It should be noted that the preference is applicable only to veterans who can succeed in passing Civil Service examinations, or who in other words are found competent to discharge adequately the duties of the positions for which they apply. The pass mark in Civil Service examinations is 70 per cent, and no veteran is assigned to a post by the Civil Service Commission unless it is satisfied that he can satisfactorily perform the duties. In fairness to veterans, however, who have been engaged in other pursuits for the last five years, it is recognized that reasonable periods of training must be provided in many instances both before and after entering the Public Service, and full recognition is also given to the experience which the veteran has obtained while in the Armed Forces.

While the veterans preference is being comprehensively and effectively applied in making appointments to vacant positions in the Civil Service, there is one phase of the employment situation in which the veteran is vitally interested to which reference should be made. During the absence of the veteran during the war, positions in the Service were filled on a temporary basis, on the understanding that with the return of the veteran consideration would be given to his employment in such positions. The veteran is now returning in large numbers and is available and qualified for Government employment. He feels that for such positions as have been filled during the war by temporary employees he should now be considered, and the Commission is accordingly working actively with the departments concerned to absorb qualified veterans in positions now occupied by persons who were engaged on a purely temporary basis.

Another point to which reference should be made is the difference between re-establishment procedure in industry and Government. Under the Reinstatement in Civil Employment Act persons who joined the Armed Forces are given a general guarantee of re-employment in their former or similar positions. In the Civil Service this guarantee is limited to persons who enlisted with the consent of their departments and who were serving before the war or if appointed subsequently, in positions not arising out of war activities. In

other words, a person who had to resign in order to enlist does not get the guarantee of re-employment in the Civil Service which he enjoys in industry. It does not seem desirable that this differentiation should continue.

Generally speaking, it seems probable that the veterans preference, with the amendments referred to above, applied fairly and effectively, will be accepted by veterans, the departments of Government, and the general public as a reasonable expression of gratitude to the men and women who have risked their lives for us. It will serve as a valuable means of assisting the general rehabilitation policy and at the same time will secure for the Public Service a large number of the best qualified veterans, who will bring to it not only technical proficiency to perform the tasks to which they are assigned but also the intangible but nevertheless valuable benefits of the growth in capacity and character which they have gained from their experience in the war.

MEMORANDUM SUBMITTED BY THE DEPUTY POSTMASTER GENERAL

OTTAWA, 3rd October, 1945.

Preference to Members of the Armed Forces in Connection with Appointments to Positions in the Civil Service of Canada.

1. This subject is approached with experience gained in the application of the preference granted to veterans of the war 1914-18 by Section 29 of the Civil Service Act, 1918, and particularly with regard to the effect which the application of the returned soldier preference has had in connection with the operation of the Postal Service.

2. It is pertinent to deal with the subject under three main headings:—
- (a) scope of preference;
 - (b) period of validity;
 - (c) age limitation.

Scope of Preference

3. The preference granted by Section 29 of the Civil Service Act is absolute. Veterans of the last war who obtained the minimum pass marks required at an examination were placed ahead of all successful civilian candidates no matter what percentage the latter obtained. Situations arose when a returned soldier candidate with a pass mark of slightly more than 70 per cent was listed for employment ahead of a civilian candidate who obtained almost perfect marks; who was well qualified from every point of view; but who had not had the opportunity of serving in the last war.

4. As a result, the Department could not take advantage of excellent material and was compelled to take on men who were not so well qualified from the standpoint of education and who were not so adaptable from the standpoint of physical qualifications on account of their age. The Service has suffered, as there has not been a sufficient leaven of young men with executive, administrative potentialities. This is indicated by the standard of the supervisory staffs today. They are impoverished from the lack of proper material.

Period of Validity

5. Even today, almost 20 years after last war's armistice, candidates for employment in the Postal Service are claiming the veterans' preference by virtue of military service during the period 1914-18. Most of these men are slowing up somewhat on account of age and, under normal circumstances, not many years of active service can be expected of them. To a degree they are set in their habits and are somewhat difficult to train.

In all Post Offices there is a great deal of night work which men, particularly of middle age, find somewhat irksome. Men who get their appointment as a result of the returned soldier preference soon forget the circumstances of their appointment and agitate for preferred treatment in respect to hours of work and assignment of duties.

6. The maximum age for entry into the Postal Service normally is 35, and although it is conceded that special consideration should be given to men who have taken part in active service, it is not felt that the period of validity should extend beyond ten years. This would give all veterans a reasonable time in which to become established.

Age Limit

7. A restricted period of validity would to an appreciable degree eliminate the present disadvantages of "no age limit." Many men were over 35 at the time of enlistment and are now over 40. Supposing that the period of validity were 10 years, it would mean that men could apply for preference in connection with appointment to the Postal Service at an age of over 50.

8. This is not desirable either in the interests of the Postal Service or in the interests of the men themselves. In so far as service is concerned they cannot be expected to give a day's work equal to that given by younger men. Conditions of Post Office employment with its night duty, outdoor work and other factors which impose a strain upon a man's physical condition, make it desirable that it be restricted to men of good physique.

Special Features 1939-1945

9. Many men who have enlisted for general service have been retained in Canada on account of their special qualifications. They have been prevented from going overseas through no fault of their own. In some cases they have been retained in Canada for training purposes. In other instances they have been drafted into special positions in connection with war production and other comparable assignments.

10. Other persons who have endeavoured to enlist have been turned down on medical or similar grounds. As a consequence of this, they have been employed temporarily in the Post Office Department for a number of years and have gained valuable Post Office experience. They have been unable to pass Civil Service examinations because no such examinations have been held during the period of hostilities. They, therefore, find themselves in the position of being temporary employees with Post Office experience, but no claim to appointment.

11. They have lost normal opportunities for competing for Civil Service positions. They have neither the glory nor the glamour which attaches to overseas service, nor have they any of the establishment benefits and other privileges rightly enjoyed by members of the Armed Forces.

12. It is not desirous for one moment that the special debt due to the Fighting Forces should be overlooked, but it is felt that this debt would rightly be met not by depriving others of the opportunity for appointment to the Service, but rather by giving members of the Fighting Forces reasonable advantages.

Handling the Problem in Other Countries

13. The subject which is being discussed in this memorandum has been given very serious consideration in other countries.

14. In the United Kingdom the recruitment to established posts in the Civil Service during the reconstruction period was the subject of a special study by the Civil Service National Whitley Council. This Council arrived at the decision that public interest required that the Civil Service should have

the best candidates it could get and to impose anything like an exclusive ex-service preference would adversely affect the standard by seriously reducing the potential field of candidates.

15. The Committee further stated that the Service had already suffered disadvantages due to this preference and that the Public Service could not a second time afford the experience of the inter-war period without harm to the whole community. They suggested, therefore, that a percentage of the positions in the Civil Service should be assigned to ex-service applicants and the balance would be filled by candidates who followed the normal procedure for entry into the Civil Service. See Appendix A.

16. In regard to the question of age, the Committee arrived at the view that the maximum age for the administrative and executive classes should be 30, but appointments are made in the Postal Service up to an age of 45 in the case of ex-servicemen.

17. In the United States also the disadvantages of absolute preference were avoided. The Veteran's Preference Act of 1944 does not impose any age limit in so far as appointments are concerned, but Appointment Officers have the power of selection and may turn down applicants who served in the Active Forces where it is felt that such appointment is not in the best interests of the service.

18. A measure of preference is given to United States ex-service personnel by adding points to their earned ratings; ten points being added in cases of disability pensionable candidates (or their wives) and unmarried widows of deceased ex-servicemen; five points being added in cases of honourably discharged ex-servicemen and women. See Appendix B.

Suggestion

19. The established Civil Service will doubtless require reinforcement by a steady flow of new recruits of good educational standard. Therefore, normal competitions for recruiting into the Service on a permanent basis should be resumed at the earliest appropriate moment.

20. While every care must be taken in making the necessary administrative arrangements to ensure that men and women who have been with the Forces during the war should have a preference in competing with civilians, nevertheless, consideration should be given to those who, through no fault of their own, cannot claim the overseas preference or have lost their normal opportunities for competing for Civil Service positions as a result of the war.

21. It is suggested, therefore, that consideration be given to the following:—

1. Graduated preference for overseas personnel rather than an absolute preference.
2. Overseas preference should not be valid after a period of 10 years.
3. Overseas preference should not apply to any applicants who are 45 years of age or over.

22. As a further suggestion, consideration might be given to a graduated preference arranged along the following lines:—

Additional marks to be added to those earned by the candidates at the normal Civil Service examinations as follows:—

| | |
|--|-----------------------|
| Disability preference | — 20 marks additional |
| Overseas Service | — 15 marks additional |
| Service in Canada | — 10 marks additional |
| Previous Civil Service Experience, but turned down for military service on account of being unable to meet requirements | — 5 marks additional |

23. It is considered that graduated preference along these lines would not only give ex-service personnel a reasonable preference in Civil Service appointments, but would also be fair and equitable to those applicants for Civil Service appointment who have been forced to remain in Canada through no fault of their own.

APPENDIX A

PROPOSALS OF THE CIVIL SERVICE NATIONAL WHITLEY COUNCIL IN THE UNITED KINGDOM

| — | Age in 1945 | Qualification | Method of Selection | Ex-Service (proportion of positions reservation reserved for ex-service men and women) |
|-------------------|--|---|--|--|
| Administrative.. | 21 to 30 | At least one year's University attendance, with First or Second Class Honours standard. | Written general examination, plus interview. | Men.... Three-quarters. Women. In proportion to entry. |
| Executive..... | 18 to 24 (four-fifths) 25 to 30 (one-fifth) | Education to 17, or Higher School Certificate | Written general examination, plus interview. | Men.... Two-thirds. Women. In proportion to entry. |
| Clerical..... | 16 to 22 (four-fifths) 23 to 30 (one-fifth) | Education to 16, or School Certificate. | Written general examination. | Men.... One-half. Women. In proportion to entry. |
| Sub-clerical..... | 16 to 22 (four-fifths) 23 to 30 (one-fifth) | Education to 15. | Written general examination. | Women. In proportion to entry. |

APPENDIX B

Extract from the United States Civil Service Regulations in regard to Preference

REGULATION III

Rating and Eligibility

"Section 2. *Preference*.—In examinations for appointment or reappointment five points shall be added to the earned ratings of honourably discharged ex-service men and women who have served in any branch of the armed forces of the United States during any war or in any campaign or expedition (for which a campaign badge has been authorized). The following shall have ten points added to their ratings:—

- (a) Honourably discharged ex-service men and women who have served in any branch of the armed forces of the United States and who have established the present existence of service-connected disability or receipt of compensation, disability retirement benefits, or pension by reason of public laws administered by the Veterans' Administration, the War Department or the Navy Department.
- (b) The wives of honourably discharged service-connected disabled ex-servicemen as have themselves been unable to qualify for any civil service appointment.
- (c) The unmarried widows of honourably discharged deceased ex-service men who had served in any branch of the armed forces of the United States during any war, or in any campaign or expedition (for which a campaign badge has been authorized).

As used in this section "honourably discharged" shall mean any separation from active duty in any branch of the armed forces under honourable conditions.

A transfer to inactive status, a transfer to retired status, the acceptance of a resignation, or the issuance of a discharge will be considered as covered by the above definition if such separation was under honourable conditions."

Issued by the United States Civil Service Commission pursuant to authority conferred by Executive Orders 9063 of February 16, 1942, and 9067 of February 20, 1942, and the Veterans' Preference Act of 1944.

THE CANADIAN LEGION OF THE BRITISH EMPIRE SERVICE LEAGUE—THE CIVIL SERVICE PREFERENCE

This preference to overseas veterans was introduced into the Civil Service Act in 1918, simultaneously with the establishment of the principle of merit whereby appointments are made only after a competitive examination has been held and the candidates are listed in order of their relative standing. Briefly stated, the effect of the preference clause is to give priority on such an eligible list to any overseas veteran who qualifies by competitive examination over any other qualified applicant. This method of giving preference assures that only qualified veterans can be appointed and it does not appreciably affect the basic principle of merit.

The principles upon which the preference is based are contained in Section 29, Subsection 4, of the Civil Service Act, which reads as follows:—

In all examinations for entrance into the Civil Service the persons named on such special list who are found to possess the necessary qualifications shall be named, in the order of merit, on the list of successful candidates above all other candidates; and all other persons who have been on active service overseas in the military forces or who have served on the high seas in a seagoing ship of war in the naval forces of His Majesty, or of any of the allies of His Majesty, during the war, who have left such service with an honourable record or who have been honourably discharged, or when any persons who have served as aforesaid have died owing to such service, the widows of such persons, and who in either case obtain sufficient marks to pass such examination, shall, irrespective of the marks they have obtained, be named in the order of merit, on the list of successful candidates next after any candidates who are on the special list mentioned in subsection two of this section and above all other candidates.

The special list referred to is the list of qualifying disabled veterans which assures them of being placed above all others. To secure the disability preference the veteran must be pensioned for a war disability, be unable to follow his pre-war occupation, and not have been successfully re-established in some other avocation.

The Civil Service statutory preference to veterans was not introduced solely as a measure of rehabilitation, although it naturally has helped to rehabilitate thousands of veterans of the last war and will now assist many veterans of this war. The preference was placed in the Civil Service Act primarily to assist in overcoming handicaps in examinations that might be suffered by those who had seen service in an actual theatre of war. It is always difficult to denote lines of limitation in any legislation, and in order to simplify administration it was decided that the determining factor of entitlement would be service overseas. There are several reasons why this limitation was placed

Printed at p. 1041.
See also p. 338.

upon the preference. Obviously, the man who for a long period leaves his homeland suffers a much greater handicap in rehabilitating himself than the man whose service has been in Canada only, notwithstanding the latter's earnest personal desire to fight the enemy. The man who returns from overseas after a year or more of service finds himself almost a stranger in his homeland. He has not been able to follow occupational trends or developments at home and finds himself at a decided disadvantage with the man who has been able to keep in continual touch with what is going on in Canada.

It is now being argued that the man with long service in Canada should also receive the preference, because it was not his fault that he could not serve overseas and that he had no choice but to do his duty as he was ordered. Everyone will recognize and sympathize with his point of view, but the fact remains that the man who left these shores to do battle with the enemy or to perform duties where enemy action endangered life or limb has suffered an incomparable experience which the people of Canada naturally desire to recognize in the Civil Service. The preference is one way of extending this recognition.

The preference was based upon the conditions that existed during the last war when no threat from the enemy endangered our shores and our shipping close to them. But in this war much hazardous service has been rendered by men based on our shores—service that can be regarded as comparable to "overseas" service. This ought to be the subject of investigation and a revision of the preference made to include such groups. It is obvious, however, that if the preference were extended to all who had volunteered to serve anywhere, regardless of the type of theatre of service, then there would be no offsetting the unquestioned handicaps of the man who has served overseas for long periods.

What the critics of the preference as it stands should bear in mind is that the overseas veteran must qualify in competitive examination, otherwise he is out altogether. This, of course, is true for all candidates, but the field of preference is always narrowed down to those who can qualify. However, experience indicates that a considerable number of the non-overseas qualifying candidates have later been absorbed or have declined a call because they have found satisfactory employment outside the Civil Service.

The figures set out hereunder establish the contention that a wide door remains open to those not entitled to the preference. They cover the period September 1, 1918, to December 31, 1940, showing the number of male appointments made with veteran percentages.

| | Total Male Appointments | Veteran Percentage |
|----------------------------------|----------------------------|-----------------------|
| Permanent and Seasonal | 41,218 | 40·21% |
| Temporary Appointments | 127,661 | 30·53% |
| Total Number of Appointments.... | 168,879 | 32·89% |

Since December 31, 1940, the number of male assignments—veteran and civilian—are given as follows:—

| | | Veteran Percentage |
|--------------------------------------|--------|-----------------------|
| Total Number of Assignments..... | 85,780 | |
| Total Number of Civilian Assignments | 63,356 | |
| Total Number of Veteran Assignments | 22,424 | 26·1% |

The heaviest influx of veterans into the Service would naturally be expected in the immediate post-war years. The figures below give the percentages of veteran male appointments from September 1, 1918, to December 31, 1929, approximately a ten-year period:—

| | Permanent | Temporary | All Classes |
|------------------|-----------|-----------|-------------|
| Sept. 1/18 to | | | |
| Dec. 31/19 | 47·1 | 51·8 | 51·0 |
| 1920 | 59·6 | 52·6 | 49·4 |
| 1921 | 66·0 | 55·2 | 50·2 |
| 1922 | 73·5 | 46·8 | 55·1 |
| 1923 | 75·3 | 48·25 | 57·85 |
| 1924 | 72·3 | 55·18 | 59·2 |
| 1925 | 61·3 | 48·0 | 47·7 |
| 1926 | 55·4 | 45·3 | 48·1 |
| 1927 | 54·8 | 34·29 | 41·0 |
| 1928 | 47·3 | 32·0 | 36·8 |
| 1929 | 42·1 | 25·6 | 32·0 |

From the foregoing it will be seen that at no time has the door been closed to those who were not entitled to the overseas preference. During several years the majority of the assignments have gone to non-veterans and in recent war years this number greatly increased. In the first ten months of 1945, however, a pronounced increase took place in veteran appointments when they reached 51·0 per cent of the total. A further increase may be expected, but as the Commission resumes its normal peacetime procedure the balance will again be restored, and there is no reason to assume that the door will be closed to applicants without preference.

On the whole, this preference has worked out very well indeed during the past 27 years. It has not, as some people have claimed, overrun the Service with mediocre personnel; rather it has tended to raise the minimum standard of qualifications. Figures quoted above indicate that, notwithstanding the preference, civilians secure a high percentage of appointments. Not all veterans needed the preference to secure an appointment. Some were the highest qualified applicants anyway. No figures are available to establish the exact number of veterans who needed the preference to secure their appointments, but the fact remains that applicants not entitled to the preference have always secured a high percentage of permanent appointments and invariably a much higher percentage of any temporary work that has been available.

An additional preference was included in the Act in 1921 for the disabled veteran. Again, this preference was only given if the veteran had the minimum, or better, required standard of qualifications and was physically capable of carrying out the duties.

To sum up the reasons for establishing the overseas preference, they are briefly as follows:—

- (1) To recognize hazardous overseas service and the handicaps due to long absence from the country by assisting men to overcome their handicaps in entering competitive examinations.
- (2) To enable the nation's largest employer to do its share in rehabilitating those who have suffered most the rigours of war, setting an example to all other employers without departing from the merit principle.
- (3) To encourage such veterans to enter the Civil Service.

Proposals to extend the preference have been coupled with suggestions that there should be a change in the manner of applying it. One proposal is to introduce a system of bonusing; thus a veteran who served in Canada only

might receive a bonus of 5 marks, a veteran who served overseas 10 marks and a disabled veteran 15 marks. This implies that each applicant would be given a numerical rating which could be bonused. If the present examination system utilizes numeral rating for a position, it certainly could be done, but it has one serious defect; it would qualify an otherwise unqualified applicant, destroy the merit system and lower the standard of the public service.

Few men with Canadian service only will wish to adopt a dog-in-the-manger attitude about this preference when they realize that it does *not* shut the door against them. The danger of trying to include everyone in the preference is that it will become unworkable, and produce administrative chaos where a reasonably smooth procedure now exists.

OTTAWA, ONTARIO,

December, 1945.

December 12, 1945.

W. A. TUCKER, Esq., M.P.,
Chairman, Special Committee
on Veterans' Affairs,

House of Commons,
OTTAWA.

Dear Mr. Tucker,—In presenting the statement regarding the Civil Service Preference to your Committee, I had hoped that I would have been permitted to make some preliminary remarks before it went into the record so that the Legion's position would be quite clear.

At the Dominion Convention of the Legion in Vancouver a resolution was adopted reaffirming the Legion's long standing policy regarding the overseas preference, which reads as follows:—

That we request the Prime Minister and Government of Canada to oppose, as a matter of Government policy, any measure introduced into the Parliament of Canada which has as its object the interfering in any degree with such preference or the abolition of, or restriction of, the powers of the Civil Service Commission.

A further resolution was also adopted at our Vancouver Convention, reading as follows:—

That the Civil Service Act be amended to provide a preference to ex-service men and women who do not otherwise qualify by reason of pension or service in an actual theatre of war, but who volunteered for Active Service and served honourably for a period of one year or more.

The policy of the Legion, therefore, is to maintain the present preference to veterans with overseas service over all other candidates, but to provide an additional preference to men who have volunteered over civilian candidates. A statement regarding this additional preference would have been made had it been possible for me to present the Brief to the Committee.

Yours sincerely,

J. C. G. HERWIG,

General Secretary.

OTTAWA, October 18, 1945.

WALTER TUCKER, Esq., M.P.,
Chairman, Committee on
Veterans' Affairs,
House of Commons,
OTTAWA.

Dear Mr. Tucker,—Of late three or four cases concerning young men, who enlisted voluntarily in the Canadian Forces but who were kept on this side of the water through the will and orders of their superior officers, have been submitted to me for special attention.

For instance: a college graduate, with B.A. degree and with an LL.B. diploma of one of our Canadian Universities, enlisted voluntarily nearly five years ago. After many months of training, at the recommendation of one of his officers, he decided to join the Tank Corps, in which he proved exceptionally useful and qualified. So much so, that at the recommendation of the Colonel of this particular branch of the Service, he was upon two occasions sent to Camp Borden for further training and finally for still further and more advanced training at the Royal Military College at Kingston. On several occasions during that time the boy made application to be sent overseas, but on each occasion the recommendation which had been made by his Commanding Officer was refused at Headquarters and his name marked off the list. This because he was so very useful to the Army in his activities at Headquarters.

I recite this case to this length because without wishing to unduly criticize the officers in charge of that particular branch, it is undoubtedly true that this young fellow with his special training did actually prove far better qualified to study and conduct some of the very advanced and most difficult phases of armoured fighting in this war. The inference is that the officers at the top were a bit too old for this sort of training, for which they had not previously been trained. Yet this young fellow will be known and at times criticized for having failed to serve overseas and having occupied a cushy seat while the boys who enlisted at the same time were risking their lives in actual battle. He will also be deprived of the priority for some important positions for which he would be well qualified because of that failure of having seen service overseas, through no fault of his own whatever.

I feel strongly in that matter and I am of the opinion that this should receive the particular attention of your committee.

Yours very truly,

J. M. DECHENE,
M.P. for Athabaska.

Representations were received from Mr. W. H. Davis, Ottawa, urging that the Civil Service preference be extended to aircrew personnel of the R.C.A.F. who served only in Canada. He asks:—

Should four years Air Force service, with over two thousand flying hours as an instructor, give a lesser, equal or greater preference than that accorded because of sixty days in a considerably less hazardous occupation in England?

Canadian Legion in United States

Civil Service Preference

The order in council extending the statutory preference to Canadian veterans, as drafted, bars men who came from the United States and served in Canadian

Forces during World War II, and became naturalized Canadian citizens. We submit this legislation was not intended to exclude men who confirmed their desire to become Canadian citizens by naturalization.

We know that efforts are being made to obtain the co-operation of the United States Government to permit of the extension of the benefits to Canadian veterans resident in the United States, and are grateful to the Canadian Government for its understanding attitude. We believe, however, that a definite declaration of policy covering what Canada is prepared to do for Canadian veterans in the United States will greatly assist in development of legislation in the United States.

Canadian Legion

Preference in Employment

As a matter of government policy a preference in referral by employment offices is now being extended to veterans. The Legion recommends that in order to maintain this preference the government should retain some wartime controls or establish adequate controls under the National Emergency Powers Act.

The Legion feels that the Government should retain the registration of both jobs and job seekers, together with the use of the open permit system for veterans. The open permit enables the veteran to seek his own job, and it is our view that preference in referral, together with a permit to exercise freedom in seeking employment, will result in the rapid placement of a large number of veterans.

It must be realized that the Unemployment Insurance Commission is a new organization and it has not had a long background of experience in placement work as similar organizations have had in other countries. In this connection the Legion would recommend:—

- (1) That in order to make placement more effective the Unemployment Insurance Commission develop close and friendly employer relations so that employers will not hesitate to make use of the employment offices and will seek the employment of qualified veterans.
- (2) That to secure effective placement of veterans, placement officers who are ex-service men and who understand the nature of trades training and employment in the three armed services, should be engaged by the Unemployment Insurance Commission.

NATIONAL COUNCIL OF VETERANS ASSOCIATIONS IN CANADA

18. Seniority with Respect to Labour Agreements

We strongly recommend that the government take steps to ensure that all veterans who will at any time be operating under collective bargaining agreements will receive credit for seniority purposes on account of time spent on active service.

The government is encouraging vocational training which will lead to employment in trades where union agreements are in effect. Unless some steps are taken to protect seniority no security of employment can be ensured.

Printed at p. 338.

See also p. 1041.

Printed at p. 285.

Printed at p. 480.

November 2, 1945.

MR. W. A. TUCKER,
Chairman, Parliamentary Committee
on Veterans Affairs,
Parliament Buildings,
OTTAWA, Ontario.

Re: Selective Service Controls—Employment of Veterans

Dear Mr. Tucker,—May I say that the British Columbia Command of the Canadian Legion, B.E.S.L., takes very strong exception to the action of the Department of Labour in lifting controls insofar as they concern the employment of veterans.

We feel that the present procedure whereby an employer has to apply to the local Selective Service Office when he requires labour, and the Government Office sends him men who have some particular preference, is very much better than the policy to be adopted at an early date whereby the employer can employ anybody he pleases and then report to the Selective Service Office three days after the transaction has been completed.

With so many veterans looking for jobs and the prospect of this number increasing in the near future, it is absolutely essential that every opportunity be taken to direct the attention of the employer to the necessity of giving preference to veterans; this in order to make up to these people the years that they have lost while serving in uniform.

I understand that in the brief presented by the Dominion Command of our Organization to your Committee recently, they dealt with this matter.

We are rather seriously concerned as to what will result from the present intention of the Department of Labour to lift those controls.

Yours sincerely,

ROBT. MACNICOL,
Executive Secretary,
B.C. Command, Canadian Legion, B.E.S.L.

MISCELLANEOUS

Canadian Legion:

CANTEEN FUNDS

The matter of the administration of canteen funds is one which should receive immediate attention. Following the war of 1914-18 a policy in regard to the distribution of these funds was not settled for some years and in the meantime there were no funds available for assistance in deserving cases. It is felt that this situation should not recur.

It will take time to work out a national policy in respect to all these funds but, in the meantime, it is necessary that steps should be taken to relieve immediate cases of distress. The Canadian Legion, therefore, recommends insofar as army funds now in the possession of the government are concerned:—

- (1) That a national board of trustees be immediately set up, which will be charged with the responsibility of administering the funds now available in Canada;
- (2) That it shall be the responsibility of this board to lay down the general lines upon which distribution of the funds shall be carried out;
- (3) That provincial boards be established in each province to handle cases in such province;

- (4) That instead of the national fund being allocated to provinces, as was done following the war of 1914-18, the whole fund be held by the national board, and that advances be made to the provincial boards from time to time, for distribution as required and when properly accounted for.

Citizens' Rehabilitation Council of the City of Edmonton:

Benevolent Fund to Assist Veterans and their Dependents
in need of Temporary Assistance:—

This Council is of the opinion that surplus Canteen Funds should be made available for Army personnel who are in indigent circumstances, and their needs should be taken care of in a similar manner to R.C.A.F. and Navy, both of which have created Benevolent Funds for the purpose of assisting their members.

Canadian Legion:

RETROACTIVE PAYMENTS

From time to time certain benefits made available to veterans have been increased and the consequence is that all do not receive the same treatment. The clothing allowance is an example. In the early days of the war the clothing allowance made available to a veteran was \$35.00 if discharge took place during the winter months and \$17.00 if discharge took place in the summer months. Later the distinction between summer and winter was eliminated. In November, 1943, the clothing allowance was raised to \$65.00 for all ranks and in August, 1944, the amount was raised to \$100.00. Numbers of men who served overseas found themselves receiving the lower rate of clothing allowance, while others with less actual service, either in Canada or overseas, were receiving the higher rate.

OFFICERS' UNIFORM ALLOWANCE

The uniform allowance originally granted to officers was \$150.00. This was raised to \$250.00 two years ago. The long service men feel that a retroactive payment should have been made because necessary replacements were just as costly to them as the purchase of a first uniform was to the more recently enlisted officers. The unequal treatment as between the men who enlisted early in the war and those enlisted subsequent to the amending order is obvious.

Both clothing allowance and uniform allowance are paid from national defence funds and adjustment of accounts in both these instances could readily be made by the department if a retroactive order were issued.

The Legion recommends, therefore, that a retroactive adjustment in both these cases should be made.

National Council of Veteran Associations in Canada:

1. *Clothing Allowances*

We strongly recommend that the clothing allowances for all members of the armed forces, discharged since the outbreak of war in September, 1939, and who have had overseas service, should be at the existing rate of \$100. We have advocated this policy since 1943.

A letter received from Mr. F. L. York of Vancouver contains a similar recommendation.

Printed at p. 290.

Printed at p. 472.

Resolution adopted at United Electrical, Radio and Machine Workers of America, Ninth Annual District Five Council Meeting, held in Toronto, Ontario, October 19 and 20, 1945.

Clothing Allowance for Veterans

Whereas the clothing allowance for veterans as it now stands at \$100 is totally inadequate to purchase a full outfit of clothing at the present time; and Whereas although the price of clothing has been stabilized for the war years; and

Whereas the government, as in such cases as the War Service Grants Act, 1944, has set a precedent of making wartime measures to be retroactive to the beginning of the war; and

Whereas up to the present time they have failed to implement the desire of organized labour and other organizations, that the clothing allowance be raised and made retroactive to the beginning of the war;

Therefore be it resolved that the Federal Government be again petitioned to raise the clothing allowance for all discharged personnel of the Armed Forces to \$125 and that this be made retroactive to the beginning of the war.

Canadian Legion:

DECEASED VETERANS' DEPENDENTS' BILL

This is something new. Experience in the post-war years following the first world war indicates that no group in Canada is called upon for greater sacrifice, or a sacrifice running through a longer period of years, than the children whose fathers have been killed or have died in the service or from conditions due to service. While it is true that a pension of \$60 per month is available to the widow and additional allowances for the children, nevertheless this is inadequate for the proper maintenance and development of the family if the children are to arrive at a self-supporting basis utilizing the full talents of which they may be possessed.

The Legion recommends that some of the benefits now available to veterans ought to be made available to children of veterans killed or who have died on service or from conditions due to service, and we would now make definite proposals to this committee for their consideration:—

- (1) That a deceased veterans' dependents bill be introduced into Parliament;
- (2) That this bill should contain the principle that equivalent benefits to those available to veterans be extended to the children of serving men whose death is due to service.

In support of this proposal we would point out that the economic status of a war orphan's mother is entirely changed as a result of the death of the father. Just as alternative rehabilitation benefits are made available to veterans so alternative benefits could be extended to the families according to their needs.

The Legion therefore submits the following proposals:—

- (a) It may well be that the needs of the family would be served by extension of the re-establishment credit, for the purpose of keeping the home together.
- (b) That educational and vocational training benefits for the children may be the benefit that will meet the immediate need.
- (c) The family may be so constituted that the benefits of the Veterans' Land Act would provide the best means of establishing them.
- (d) That free medical service be extended to the family in the same manner as it is now extended to pensioners, up to the age of self-support.

To illustrate the changed economic circumstances of a mother with one child when the father is killed, the following facts are given, based upon captain's pay and allowances:—

| <i>Father Alive</i> | | <i>Father Dead</i> | |
|------------------------|----------|-----------------------|---------|
| Separation | \$50.00 | Widow's pension | \$66.67 |
| Child (1) | 12.00 | Child (1) | 15.00 |
| Assigned one-half pay. | 100.00 | | |
| | <hr/> | | <hr/> |
| | \$162.00 | | \$81.67 |

The rate for first child has not been changed since September 1, 1919. Family allowances have now been added.

Whereas a childless widow may make ends meet by working, the widow with one child or more must make an attempt for the sake of her child or children to keep up a home, and \$15 is certainly small assistance to that end.

Canadian Legion:

VETERANS' HOMES

Numerous representations have been made over a period of many years for the establishment of veterans' homes for the aged. In some parts of the Dominion houses have been donated for this purpose and very excellent establishments have thus been set up. Some experience therefore has now been gained in developments of this kind.

The Legion most strongly urges that immediate action be taken to establish homes in other parts of the Dominion where they would perform a most useful service. Fortunately some benevolent citizens have donated properties for this purpose. Otherwise, the type of case involved has been taken care of under domiciliary care in Departmental Hospitals, but an increase in the number of such cases can now be expected and it is not considered satisfactory to have old soldiers maintained in this manner among young veterans of this war. The time has certainly come when a definite policy should be established and definite provision made for the establishment of more veterans' homes in suitable surroundings.

Canadian Legion:

LAST POST

For quite a long time branches of the Legion have been complaining that the amount available for last post burials is too little to provide suitable burials. However, it is understood that the last post fund has already made representations to the government in this connection and the Legion desires to associate itself with these representations and to urge that sufficient funds be made available to the last post fund to enable them to pay \$100.00 or an equivalent amount to that paid by the Department of Veterans Affairs in providing for the burial of veterans who die while in the care of the department.

Misconduct—Discharge Certificate:

Mr. Sinclair from the sub-committee on the regulations covering discharges for misconduct from the Armed Services reported as follows:—

The sub-committee of Messrs. Cruickshank, Fulton, Probe, Quelch and Sinclair, appointed by the Veterans Affairs Committee on November 1, 1945, to study the question of a recommendation to the House relating to the reconsideration of the regulations covering discharges for misconduct from the Armed Services, submit the following report:

Printed at p. 290

Printed at p. 290

Whereas the Bill, as now drafted, provides that every case where a member of the Armed Services has been discharged for misconduct shall be referred to the Board of Review, constituted under Section 12 of the Bill, and that the said Board shall consider the case from the point of view of the worth of the member's service to his country;

And whereas the Board, where it feels that the worth of the member's service outweighs the seriousness of his misconduct, has power to order the payment of his gratuity, and the Board in making this decision, will have before it all the facts of the case;

Therefore, your sub-committee feels that it should logically follow that, as the worth of the member's service has been decided to be the predominating factor, no further disability in the way of obtaining employment and rehabilitation should follow on account of any entry on the discharge sheet, and so RECOMMENDS—THAT in all cases where the Board of Review has made an order granting gratuities, the discharge sheets shall be automatically referred back to the Service concerned for amendment of the cause of discharge to read:—"Free to take up civilian occupation."

21 November, 1945.

Mr. A. L. BURGESS,
Special Committee on Veterans Affairs,
House of Commons,
Ottawa, Ontario.

DEAR MR. BURGESS:—With reference to your letter of the 13th November 1945, and the attached copy of the report of the sub-committee of the Special Committee on Veterans Affairs appointed to consider regulations governing the discharge, for misconduct, of service personnel.

The Board of Review, under amendments to the War Service Grants Act now proposed by the Veterans Committee, would be empowered to order payment of gratuities to service personnel discharged for misconduct, where circumstances so warrant. The sub-committee now recommend that, in those cases where the Board orders payment of the gratuities, the discharge certificate should be automatically amended to disclose a new "stated cause of discharge."

This Department has no objection to a Board of Review being empowered to order payment of gratuities whenever circumstances warrant, irrespective of subsequent nature of discharge. Likewise, this Department has no objection to such service personnel securing the benefits under the other rehabilitation measures.

It is the considered opinion, however, that it should not be mandatory for the service to alter the discharge certificate in cases referred by the Board of Review, but rather that the service concerned should retain a discretionary power to determine the stated cause of discharge to appear on all discharge certificates.

For example, in the case of incorrigibles who have been of little or no use to the service during the war, it is considered that, while sympathy must indeed be shown in all "post-hostilities reviews", the position of these personnel on discharge must be kept in the proper relation to that of personnel who have rendered long and good service.

Printed at p. 603.

See also p. 859.

Printed at p. 859.

See also p. 603.

In short, while this Department can see no serious objection to the rehabilitation principle being invoked in the application of post discharge benefits, it desires to emphasize the need of protecting the position of all servicemen who have rendered good and valuable service in the war.

Yours very truly,

A. ROSS,

Deputy Minister (Army).

Canadian Legion:

RECIPROCAL ARRANGEMENTS WITH UNITED STATES

A large number of citizens of the United States who served in Canada's armed forces are now being discharged. They are entitled to all the post-war benefits available to their Canadian comrades under existing regulations, but can take full advantage of them only if they remain in Canada. The Legion has learned from experience that the inability to participate in Canadian benefits or in any benefits provided by their own government for men who served in the American forces, created a difficult problem after the first great war. With this in mind the Legion has consistently urged that some reciprocal arrangements should be made between the Canadian and United States governments to enable nationals of both countries who find themselves barred because of residence to secure the post-war benefits to which they would otherwise be entitled.

This matter will be made the subject of a separate submission by members of the Canadian Legion from the United States on Monday next.

War Memorials:

FEDERATION OF BRITISH CANADIAN VETERANS OF CANADA

St. Thomas, Ont., December 9, 1945

Mr. A. L. Burgess,
Clerk, Veterans Affairs,
Ottawa, Ont.

Dear Sir:

The following resolution was passed at the Convention of the above which was held at Brantford, September 16, 1945:—

That this convention goes on record as emphasizing the necessity of the proper War Memorials which will perpetuate the memory of those who have served and sacrificed, and emphasizes its belief that such memorials should not in any way replace those institutions and public buildings which should probably be provided by the Government and people of Canada for those who require its sympathetic consideration.

In connection with the above, I would respectfully request that same be placed before the Department of Veterans Affairs.

Yours very truly,

JOHN TINLING,

Secretary.

Printed at p. 295.

Canadian Legion—Complete Brief:

Mr. ALEX WALKER, C.B.E., Dominion President, Canadian Legion of the British Empire Service League, Calgary, Alberta, *called:*

The WITNESS: Mr. Chairman and gentlemen, the Dominion Council of the Canadian Legion have been meeting in Ottawa the last two days, and I thought it would be the proper thing for me to bring them along here to-day so they could see how this parliamentary committee functions. With your permission, sir, I would like to introduce them to you:

DOMINION EXECUTIVE COUNCIL

Dominion President.—Alex Walker, Esq., C.B.E., Calgary, Alberta.

Dominion Second Vice-President.—E. J. Struthers, Esq., Ottawa, Ont.

Immediate Past Dominion President.—Major-General W. W. Foster, D.S.O., V.D., Victoria, B.C.

Dominion Chairman.—A. E. Moore, Esq., St. Vital, Manitoba.

Dominion Honorary Treasurer.—Captain G. H. Rochester, Ottawa, Ont.

Alberta Representative.—S. Carl Heckbert, Esq., Vermilion, Alberta.

B.C. Representative.—Robert Knight, Esq., New Westminster, B.C.

Manitoba Representative.—Lt.-Col. L. D. M. Baxter, O.B.E., V.D., Winnipeg, Manitoba.

New Brunswick Representative.—H. D. Lockhart, Esq., Moncton, N.B.

Ontario Representatives.—Erle Burgess, Esq., St. Thomas, Ont. Howard Lansing, Esq., Windsor, Ont.

P.E.I. Representative.—Capt. N. W. Lowther, K.C., M.M., Charlottetown, P.E.I.

Quebec Representative.—Alex. C. Solomon, Esq., Montreal, P.Q. Lt.-Col. E. Theodore Paquet, Quebec, P.Q.

Saskatchewan Representative.—Judge E. S. Wilson, Weyburn, Sask.

California State Command Representative.—Fred A. Cooper, Esq., Pasadena, California, U.S.A.

Great Lakes Command Representative.—Arthur Senior, Esq., Detroit, Mich., U.S.A.

Manitoba Provincial President.—Major C. Rhodes Smith, K.C., M.L.A., Winnipeg, Manitoba.

Tuberculosis Veterans' Section Representative.—Major, the Rev. R. D. Mess, M.M., Chatham, Ont.

Naval Veterans' Representative.—J. J. Wittecomb, Esq., Victoria, B.C.

Air Force Representative.—Philip S. Fisher, Esq., D.S.O., D.F.C., Montreal, P.Q.

Imperial Veterans' Representative.—Captain C. L. Hall, Ottawa, Ont.

Immediate Past President—Imperial Division.—Jas. Lynham, Esq., Montreal, P.Q.

General Secretary.—J. C. G. Herwig, Esq., Ottawa, Ontario.

Executive Assistant.—T. D. Anderson, Esq., Ottawa, Ontario.

Chief Pensions Officer.—R. H. Hale, Esq., Ottawa, Ontario.

Editor of "The Legionary."—Captain John Hundevad, Ottawa, Ontario.

Mr. Chairman and gentlemen:—While visiting the troops overseas this summer I was asked on several occasions what procedure we take in presenting to the government our recommendations for the introduction of legislation dealing with veterans affairs. I told them that ex-service members, representing all parties in the House of Commons, were appointed a committee to hear representations and to examine proposals emanating from both the government and the veterans themselves, and to recommend to parliament the necessary legislation. I also told them that the members of successive parliamentary committees over the period of the past twenty-five years, while in committee, had acted not as the representatives of their particular political party, but solely for the purpose of helping their comrades.

I would like to tell you, gentlemen, we are very happy that we have eighty-five ex-service men as members of the House. We trust that number will be added to.

In presenting this brief the Canadian Legion has endeavoured to bring together the various proposals that have been made at its dominion and provincial conventions held since June, 1944. As the committee proceeds to deal with the various bills that will be brought to its attention by the government, those portions of the brief relating to the bills can also be considered and a representative of the Legion will be present to provide further information regarding the proposals made therein.

It is appropriate to make reference to certain recommendations made by the Legion in a brief presented to the House of Commons Committee on Post-War Reconstruction and Re-establishment, on July 2, 1943. A copy of this brief is submitted as Appendix "A" to our presentation.

NATIONAL EMERGENCY POWERS ACT

The first proposal is found on page 8 of Appendix "A" and relates to the Postwar Measures Act. The bill recently introduced under the title of "National Emergency Powers Act" largely meets our request.

FEDERAL-PROVINCIAL RELATIONS

(See Appendix "A")

The rehabilitation program provides for certain benefits that will depend to a large extent upon the co-operation of all provincial governments for their success. The Legion believes that all difficulties likely to be encountered in making the rehabilitation program effective, involving federal-provincial relations, should receive early consideration at the next sitting of the dominion-provincial conference on reconstruction, and directs attention to the Legion submission to the Royal Commission on Veterans' Qualifications, attached hereto as Appendix "B". Particular attention, however, is drawn to the following paragraphs in this submission:—

The Legion asserts that not only must full credit be given the veteran for knowledge and skill acquired in the service but freedom to practice it immediately upon discharge or upon acquiring proficiency after training. We believe this cannot be effectively carried out for all unless at the earliest possible date:—

- (1) A veteran is able to move to any part of Canada to seek rehabilitation and to practice his trade, calling or profession without being handicapped, obstructed, or inconvenienced by conflicting governmental jurisdictions or by arbitrary restraints established by professional bodies or trade groups.

- (2) Standards necessary to a trade, calling or profession are made uniform throughout the dominion.

(3) Matriculation standards are made uniform throughout the dominion.

(4) Any constitutional difficulties in administering the rehabilitation program are referred immediately to the conference on federal-provincial relations and machinery is set up to deal with them authoritatively and quickly.

(5) This commission on Veterans' Qualifications be empowered to make recommendations to provincial governments as well as to the federal government.

(6) In any agreements entered into between the federal and provincial governments, the federal government can secure for the veteran a practical and effective means of assessing and applying credits in education, training and employment.

(7) Unless adequate finances are forthcoming from the federal government to establish the means of carrying out the education and training benefits, by subsidizing provincial governments or provincial institutions, or by other fiscal means.

(8) Notwithstanding the efforts of private enterprise to create and maintain employment the federal and provincial governments also open up avenues of employment.

In support of the proposal in paragraph (8) the Legion asserts that there are services and enterprises that only the government can undertake because private enterprise cannot enter certain fields of essential public services or undertakings such as roadbuilding, sewage disposal, irrigation, conservation, etc. These are not to be regarded as works of artificial stimulation of employment but as enterprises essential to the general wellbeing of all Canadians. The public and certainly the veteran will no longer be satisfied with a "no money available" dictum preventing the development of such services.

ECONOMIC PROBLEMS

(See Appendix "A")

It is generally conceded that Canada's rehabilitation program can only reach ultimate success if a condition of full employment can be maintained in peacetime. All veterans are anxious that the government's rehabilitation measures shall be made effective as quickly as possible. Veterans, with the rest of the working population of Canada, will judge reconstruction efforts by the amount and nature of the work available and the wages to be paid. There is a general conviction that new kinds of services and products must be developed and that small enterprises must be set up in every part of Canada, to provide employment.

While foreign trade is essential to our prosperity, nevertheless the conviction also exists that home market possibilities should be more adequately developed.

The Legion has already received much evidence that veterans who were in small businesses before the war are encountering great difficulty in re-establishing themselves therein, notwithstanding the priority which the Wartime Prices and Trade Board gives them in securing supplies. These wartime controls at present operate in such a manner as to prevent many veterans who have the necessary capital seeking re-establishment in small businesses. It seems likely that before these controls can be lifted much of this capital will have become dissipated and the opportunity of these veterans entering their chosen business will no longer exist unless some assistance is given.

It has been demonstrated in a large number of instances that the re-establishment credit is inadequate for small business enterprises and only a very few veterans will be able to make use of it effectively in this field.

The Legion, therefore, recommends:—

- (1) The use of the Industrial Development Bank Act to finance veterans to enter small businesses;
- (2) That the government develop a policy of fostering small enterprises, furnishing research, technical advice and assistance to enter foreign trade, and generally make available to small business what big business because of its large resources can furnish for itself.

The Legion asserts that if private enterprise is to succeed in this country then there is a need to develop more employers, to find jobs for job seekers, and the development of small businesses is one way to accomplish this.

- (3) That the Industrial Development Bank Act be amended to provide such a service to veterans and that the necessary machinery be set up to provide the services referred to in recommendation (2).

At this point I think it appropriate to warn the government that while measures such as the out-of-work benefit and unemployment insurance are of some help, a sharp return to unemployment on a large scale would be bitterly resented by veterans and workers alike and might lead to serious trouble.

PREFERENCE IN EMPLOYMENT

(See Appendix "A")

As a matter of government policy a preference in referral by employment offices is now being extended to veterans. The Legion recommends that in order to maintain this preference the government should retain some wartime controls or establish adequate controls under the National Emergency Powers Act.

The Legion feels that the government should retain the registration of both jobs and job seekers, together with the use of the open permit system for veterans. The open permit enables the veteran to seek his own job, and it is our view that preference in referral, together with a permit to exercise freedom in seeking employment, will result in the rapid placement of a large number of veterans.

It must be realized that the Unemployment Insurance Commission is a new organization and it has not had a long background of experience in placement work as similar organizations have had in other countries. In this connection the Legion would recommend:—

- (1) That in order to make placement more effective the Unemployment Insurance Commission develop close and friendly employer relations so that employers will not hesitate to make use of the employment offices and will seek the employment of qualified veterans.
- (2) That to secure effective placement of veterans, placement officers who are ex-service men and who understand the nature of trades training and employment in the three armed services should be engaged by the Unemployment Insurance Commission.

HOUSING

The Legion does not need to emphasize the fact that housing conditions throughout the country are extremely unsatisfactory. Efforts now being made to rectify conditions do not appear to be very successful due to rising costs, shortage of materials and lack of labour. Measures adopted to relieve the situation seem to have resulted in competition between private building and building by Wartime Housing and Veterans' Land Act Administration. The main sufferers in this situation are veterans who are endeavouring to build their own homes. Stocks of materials lie idle in the custody of Wartime Housing or the Veterans' Land Act Administration while private building is brought to a standstill.

The Legion recommends that steps be taken to free idle stocks under the control of government agencies, which cannot be utilized immediately, for the use of veterans building their own homes.

It is also apparent that the present rate of building houses is totally inadequate to meet the emergency needs. The Legion feels that a more aggressive housing policy and program is necessary. It may well be that some time must elapse before materials become available and sufficient labour enters this field of activity to make building of the type of houses desired possible on a large scale.

The Legion therefore recommends that the government adopt a policy of providing rapidly constructed low cost emergency shelter for rental, to meet emergency needs during the next two years.

It is clear that Wartime Housing is both inadequate to meet the present emergency or to supply the needs of veterans in the low income groups either in respect to houses for rent or purchase.

The rapid return and demobilization of our forces from overseas has already created a critical situation in respect to immediate shelter, which must become worse as larger numbers become demobilized each month. Many localities are faced with a complete lack of accommodation. This situation will inevitably result in serious trouble.

The Legion recommends that the government exercise its powers of control to meet this shelter emergency in the same manner that they organized for the war emergency. The Legion is not convinced that all possible buildings, suitable for emergency shelter, have been made available from private sources or from military, and other government establishments. The speeding up of the release of such establishments should be undertaken immediately, particularly when they are situated where they can be utilized for emergency shelter.

As a long-range program of veterans' housing, the Legion submits that the principles of the Veterans' Land Act should be applied to urban housing. The popularity of the small holdings feature of the Veterans' Land Act has given it the character of a rural housing scheme and although this probably was not the intention when the Act was conceived, it is quite obvious that a need can be met by the extension of the Act to cover urban housing. While the shortage of material and labour is seriously affecting the progress of Veterans' Land Act undertakings, nevertheless this condition will be overtaken as time goes on and there is no doubt that a large number of veterans desire to take advantage of its provisions if they can be extended to take in urban housing.

The Legion is chiefly concerned with low-cost housing. The provisions of the National Housing Act may be adequate to take care of the needs of men in certain income brackets, but thousands of veterans will be seeking homes the monthly cost of which, including taxes, will be within their capacity to pay. Among this group will be men who served in the two wars, in the Veterans' Guard or other units, either in Canada or overseas and who may eventually

receive either a dual service pension or war veterans' allowance. The Legion recommends the building of suitable homes for veterans in these groups or with lower incomes, either in rural or urban areas.

Some steps have already been taken to build under the Veterans' Land Act within city limits under special arrangements with the civic authorities. Similar arrangements could quite appropriately be made to cover house building for veterans in other parts of the city.

There is also a case for extending the principle of The Veterans' Land Act to veterans' housing in more costly areas. While it is true that on a farm or a small holding the veteran has to earn his living directly from his purchase, nevertheless a home to a city worker is equally essential to promote his earning capacity. While the operator of a farm may be subject to the hazards of weather, change in markets and other difficulties, experience indicates that the urban worker suffers no less from business conditions over which he has no control which may result in periods of unemployment or intermittent employment which do not provide an adequate living. There seems to be no good reason, therefore, why one veteran should not receive similar benefits to the other in respect to the purchase of a home relating to his re-establishment.

The Legion, therefore, recommends that provision be made under The Veterans' Land Act to permit the purchase of housing up to a value of \$6,000 with similar conditions as contained in Section (9) of The Veterans Land Act.

The release of men and women from the fighting services, together with the termination of employment in industry created for war purposes, is constantly aggravating the problem of normal employment. It is apparently correctly stated that many industries need employees and, on the other hand, that suitable accommodation is not available where work can be obtained. It is therefore evident that problems connected with housing and employment should be given joint consideration.

A concrete example is to be found in the construction industry where, in the larger centres, a great deal more activity would be possible except for the lack of building materials, particularly lumber. The shortage of lumber, however, cannot be overcome until sufficient men are available to go into the woods and provide logs, also to man the sawmills.

To correctly gauge this situation it must be realized that both conditions and requirements have materially changed. In the years preceding the outbreak of war men were available who were content to accept the conditions for single men in the camps of employing companies. To-day the majority of those requiring employment are married, but find that homes, even of the most modest type, are not available in areas where work can be obtained. It must be accepted that such men cannot, either from an economic or social point of view, work in one part of the country and live in another. There is the further condition of large numbers of men who were single prior to enlisting and now being married cannot return to their former employment unless married quarters are made available.

In the majority of cases men seeking employment would gladly accept work of a permanent nature outside the cities, provided their families were assured of reasonable housing and other amenities.

This is undoubtedly a condition handicapping, more than any other, the development of primary industry and the provision of full employment. The solution must apparently be found by the government, which has accepted responsibility for the rehabilitation of ex-service personnel, in conjunction with employers who must of necessity extend the full measure of co-operation.

In sawmill logging, mining, and other industries of a comparative nature, it should be feasible to provide family accommodation, possibly of the pre-

fabricated type, which could be moved when necessary. Accommodation of this kind would be rented to employees at reasonable rates and return a splendid dividend to the employers by ensuring stability of employment.

The people of Canada are worried over the shortage of labour and materials in the construction industry. The adequacy of housing and availability of employment are intimately connected in many areas and an enquiry into this aspect of the problem should also be made. The Legion recommends that the Government immediately undertake an inquiry to ascertain the reasons for this condition, and apply remedial measures forthwith.

SOLDIER SETTLEMENT ACT

The bill under consideration lowering the interest rate for soldier settlers under the Soldier Settlement Act of 1919 meets one of the recommendations of the soldier settlement report of the dominion convention of the Canadian Legion held in Vancouver in June, 1944, in that it proposes to lower the interest from 5 per cent to $3\frac{1}{2}$ per cent.

A further proposal recommended by this committee relates to the granting of clear titles to aged settlers or to those who had reduced their indebtedness to 25 per cent of the original purchase price. A great deal of discussion has been carried on during the past few years respecting soldier settlers of the last war and strong representations, from time to time, have been made from various sources to solve the problem of these veterans by granting them clear title to their farms. A debate occurred in the House of Commons recently on this subject and many members spoke in favour of the proposal. Representations by soldier settlers through the Legion have followed similar lines and the following resolution is submitted for the consideration of this Committee:—

Therefore be it resolved that, in order to be fair to our aging veterans and to bring the old and the new settlement acts more into line, the Dominion government be asked to readjust the debts of the 6,153 original soldier settlers who have not paid for their lands, such readjustment to take into consideration the difference in interest rates charged under the said acts; and that following such readjustment the government be further asked to cancel the debts of those original soldier settlers whose debt has been, or may hereafter be, reduced to 25 per cent of the original purchase price or the reduced purchase price.

Clear Titles to Widows

The position of the widows of soldier settlers has long been a problem with the Canadian Legion. There is a strong feeling that a family left destitute should be permitted to remain on the farm. The present practice is to dispose of the farm and pay the widow any equity that may be due to the estate. Experience indicates that in a very large number of instances the amount available to the family is practically nil.

VETERANS' LAND ACT

Co-operative Purchasing

The Canadian Legion desires to make representations on behalf of a growing number of veterans who have been giving thought to co-operative purchasing of farm machinery and operating farms on a settlement basis. At the present time such co-operative efforts are not permitted under The Veterans' Land Act and the Legion urges that the necessary provision be made.

In support of this proposal the following arguments are advanced:—

1. That the cost of farm machinery to soldier settlers would be reduced.

2. That voluntary co-operative efforts have long been a factor in Canadian rural life, particularly in the western provinces, from where these proposals mainly emanate.
3. That co-operative planning and action has now become a factor in Canadian rural economy and from past experience it is not necessarily an indication that veterans of this war would not make a success of their venture; rather experience in the past suggests that new approaches to settlement problems should be made.

Equitable Treatment to Men Owning Land

The present position of men who own their own farms who secure a loan under The Veterans' Land Act is that they not only do not receive their re-establishment credit but must pay their loan back in full, whereas men purchasing land secure a substantial rebate on the loan. We do not regard this as fair treatment for the veteran owning a piece of land and the Legion recommends that the Act be changed to enable settlers in this class to receive the same consideration in respect to their loans as men who purchase their farms from the board.

A further complaint made by these men is that, while they can borrow \$2,500 for stock and equipment, they are required to repay every penny thereof; whereas a soldier settler who purchases a farm costing not more than \$4,800 eventually receives his stock and equipment without being required to make repayment. On the face of it, the different treatment of these two classes of settlers is considered to be inequitable and the Legion urges that the man who borrows to farm land he already owns should be given the same treatment as the man who purchases a farm from the board.

WAR ASSETS

The Legion believes that certain war assets can be of great value in the rehabilitation of Canadian veterans. The experience of many veterans seeking various items that can be used in either establishing themselves in business or in the practice of a trade or profession has not been very encouraging since all war assets must be distributed through dealers representing the industry involved. Veterans either have no knowledge of what can be obtained through the War Assets Corporation or when anything useful to them can become available. Efforts are now being made to overcome this difficulty and to devise some means of channelizing war assets to veterans without interfering with the policy of distributing the material through trade channels. The veteran, however, feels that he should have direct access, and further that any material he can purchase for rehabilitation purposes should not be subject to a dealer's profit.

The Legion believes that, first of all, a policy should be established of utilizing surplus war materials in connection with the rehabilitation of veterans wherever it can be appropriately applied and that a suitable method be developed for making them available at reasonable prices.

The Legion recommends that some provision be made in the war assets legislation to permit the corporation to deal directly with the veteran in respect to commodities required for rehabilitation purposes and if, after a thorough investigation, this is not found to be practical, then the Legion urges that ex-service men be given a first-priority certificate which dealers shall be required to honour and that a rebate of the difference between the corporation's selling price and the dealer's selling price be made to the veteran by the government and further, that steps be taken to publicize among veterans the availability of materials for rehabilitation purposes so that priorities can be made effective

LAST POST

For quite a long time branches of the Legion have been complaining that the amount available for last post burials is too little to provide suitable burials. However, it is understood that the last post fund has already made representations to the government in this connection and the Legion desires to associate itself with these representations and to urge that sufficient funds be made available to the last post fund to enable them to pay \$100.00 or an equivalent amount to that paid by the Department of Veterans Affairs in providing for the burial of veterans who die while in the care of the department.

VETERANS' HOMES

Numerous representations have been made over a period of many years for the establishment of veterans' homes for the aged. In some parts of the Dominion houses have been donated for this purpose and very excellent establishments have thus been set up. Some experience therefore has now been gained in development of this kind.

The Legion most strongly urges that immediate action be taken to establish homes in other parts of the Dominion where they would perform a most useful service. Fortunately some benevolent citizens have donated properties for this purpose. Otherwise, the type of care involved has been taken care of under domiciliary care in Departmental Hospitals, but an increase in the number of such cases can now be expected and it is not considered satisfactory to have old soldiers maintained in this manner among young veterans of this war. The time has certainly come when a definite policy should be established and definite provision made for the establishment of more veterans' homes in suitable surroundings.

RETROACTIVE PAYMENTS

From time to time certain benefits made available to veterans have been increased and the consequence is that all do not receive the same treatment. The clothing allowance is an example. In the early days of the war the clothing allowance made available to a veteran was \$35.00 if discharge took place during the winter months and \$17.00 if discharge took place in the summer months. Later the distinction between summer and winter was eliminated. In November, 1943, the clothing allowance was raised to \$65.00 for all ranks and in August, 1944, the amount was raised to \$100.00. Numbers of men who served overseas found themselves receiving the lower rate of clothing allowance, while others with less actual service, either in Canada or overseas, were receiving the higher rate.

OFFICERS' UNIFORM ALLOWANCE

The uniform allowance originally granted to officers was \$150.00. This was raised to \$250.00 two years ago. The long service men feel that a retroactive payment should have been made because necessary replacements were just as costly to them as the purchase of a first uniform was to the more recently enlisted officers. The unequal treatment as between the men who enlisted early in the war and those enlisted subsequent to the amending order is obvious.

Both clothing allowance and uniform allowance are paid from national defence funds and adjustment of accounts in both these instances could readily be made by the department if a retroactive order were issued.

The Legion recommends, therefore, that a retroactive adjustment in both these cases should be made.

LACK OF ACCOMMODATION FOR THE ADMINISTRATION OF VETERANS AFFAIRS

From all parts of the country complaints are being received about inadequate accommodation being made available to the Department of Veterans Affairs and to the employment services through which veterans are placed in employment. It is realized that accommodation for governmental operations has been essential to carry out wartime activities. The needs of war have now decreased sharply, but there is little action being taken to make space available for peacetime requirements and particularly for rehabilitation administration.

Some drastic action should be taken immediately to properly house these government organizations serving veterans.

WAR VETERANS' ALLOWANCE ACT AND DUAL SERVICE PENSION

Of all measures benefiting returned men the War Veterans' Allowance Act, providing for unemployability and for premature old age, has been the most generally satisfactory piece of veteran legislation yet placed on the statute books.

At present the benefits of the War Veterans' Allowance Act are confined only to those who served in an actual theatre of war. The dual service pension, however, provides for a similar allowance to men who have served in both the first and second great wars, regardless of whether or not they had service in an actual theatre of war in either conflict.

We, therefore, have the anomaly of provision being made for men who did not serve outside Canada in either war, while thousands of men who served overseas in the first great war are barred because service in England is not considered service in an actual theatre of war.

The Legion has already gone on record as favouring extension of the benefits of the War Veterans' Allowance Act to all ex-service men who served outside of Canada during the first great war thus bringing them into line with the recent extension of the benefits of the Act to veterans of the second great war who served outside the western hemisphere.

The Legion, therefore, recommends that the benefits of the War Veterans' Allowance Act be extended to all men of the first great war who served outside the western hemisphere, as is the case with men who served in the second great war.

Dual service pension is, frankly, an extension of war veterans' allowance to men who served in both wars, regardless of their theatre of service. However, a very considerable portion of men who served in the veterans' guard performed actual theatre of war service in the Imperial forces in the first great war. This service neither counts for the dual service pension nor for war veterans' allowance and, therefore, a large body of Canadian veterans of this war who were formerly members of the British forces are left without any provision for their retirement, at an age when it will be impossible for them to take advantage of many of the present rehabilitation measures.

EXTENSION OF WAR VETERANS' ALLOWANCE TO IMPERIAL EX-SERVICE MEN

The situation described in the foregoing paragraph leads naturally to the presentation of a case for the inclusion of Imperial veterans under the provisions of the War Veterans' Allowance Act. At the Dominion convention of the Canadian Legion, held in Winnipeg in 1942, the following resolution was adopted:—

That we urge upon the dominion government the expediency and necessity of making prompt adequate provision for ex-service men of the Imperial forces by the extension of war veterans' allowance under the same conditions as to Canadian veterans, other than on the question of pre-war domicile, providing such Imperial ex-service men were resident in Canada on September 1, 1930, and have since resided in Canada.

For many years now the Canadian Legion has felt strongly that Imperial ex-service men with a long period of residence in Canada should be given the same consideration as Canadian ex-service men, in their old age. Submissions were made to parliamentary committees in 1941 and 1943. The War Veterans' Allowance Act, although confined to ex-service men, is social security legislation, providing, as it does, a subsistence allowance at an earlier age than old age pension. It is on this basis that there is a strong case for equal treatment of Imperial veterans, qualified by a reasonable period of residence in Canada, with their Canadian comrades. These men fought side by side with Canadians. They became good citizens of Canada, contributing their share to the public weal, paying taxes and bringing up families therein. They have a status in Canada which should now be fully recognized, as Canadian citizens who, during their war service, fought in the same armies, shared the same dangers and were subjected to the same strains as members of the C.E.F.

Had these Imperial ex-service men remained in the United Kingdom they would have been entitled to all the social legislation available there. The benefits of that social legislation are also available to a Canadian born veteran resident in the United Kingdom, who can even qualify for a non-contributory old age pension provided they have been resident in the United Kingdom for an aggregate period of not less than twelve years since attaining the age of fifty. On the other hand, foreign born residents must qualify by twenty years' residence.

There is, of course, no veteran legislation in Great Britain comparable to the war veterans' allowance, mainly because social legislation was in existence prior to the great war and was readily adaptable to meet post-war conditions. We feel that it would be in the nature of a reciprocating measure if the benefits of the War Veterans' Allowance Act should now be made available to Imperials in this country who have a reasonable period of residence. Such reciprocal arrangements are in existence between some dominions of the British Commonwealth. There are strong indications that many Canadians will remain in Great Britain, in which case the extension of war veterans' allowance as a reciprocal social security measure would be all the more appropriate. The Legion recommends to this committee the inclusion of Imperial ex-service men under the War Veterans' Allowance Act.

Summarizing the effect of the veterans' legislation to which we have just referred, the following are excluded from the benefit of the provisions:—

- (a) Men who have served in the Imperial forces in the South African War but were not domiciled in Canada prior to such service although they have lived in Canada up to 45 years.
- (b) Men who have served in the Imperial forces in the first great war but were not domiciled in Canada prior to such service although they have lived in Canada up to 25 years.
- (c) Men who served in a theatre of actual war in the Imperial forces during the first great war and have served in the Canadian forces in the present war within the western hemisphere.
- (d) Widows and dependent children of these men are also excluded from benefits.

A Higher Income Limit—W.V.A.

The War Veterans' Allowance Act, while it provides for a maximum allowance to be paid to veterans that can qualify, also permits additional income from casual earnings or from other sources. The maximum over-all income possible at present, including the allowance, is \$515 per annum for a single man, and \$880 per annum for a married man.

The Legion urges that the maximum income permissible under the Act, including casual earnings and income from other sources, be raised to the equivalent of a 100 per cent pension, namely, \$75 per month, single, and \$100 per month, married.

Children's Allowance—W.V.A.

The Legion urges that provision be made for the continuation of children's allowances beyond the age of 21 in cases of chronic invalidism.

POST-WAR REHABILITATION ACT

When this brief was being prepared a copy of the proposed Act putting into legislative form the provisions of the post-discharge re-establishment order, was not available. However, the Legion desires to make a few recommendations arising out of resolutions which have been received from its commands and branches:—

(1) *University and Vocational Training*

The Legion desires to point out that any veteran who selects vocational or university training has the cost deducted from his re-establishment credit, and recommends that this training be made available without any charge against his re-establishment credit.

(2) *University and Vocational Allowances*

The existing scale of allowances for university or vocational training is inadequate, especially in large centres of population. The lack of proper provision for food and shelter and the cost of books and other educational supplies in many cases defeats the purpose of this legislation, and the Legion recommends an increase in allowances.

DECEASED VETERANS' DEPENDENTS BILL

This is something new. Experience in the post-war years following the first world war indicates that no group in Canada is called upon for greater sacrifice, or a sacrifice running through a longer period of years, than the children whose fathers have been killed or have died in the service or from conditions due to service. While it is true that a pension of \$60 per month is available to the widow and additional allowances for the children, nevertheless this is inadequate for the proper maintenance and development of the family if the children are to arrive at a self-supporting basis utilizing the full talents of which they may be possessed.

The Legion recommends that some of the benefits now available to veterans ought to be made available to children of veterans killed or who have died on service or from conditions due to service, and we would now make definite proposals to this committee for their consideration:—

- (1) That a deceased veterans' dependents bill be introduced into parliament;
- (2) That this bill should contain the principle that equivalent benefits to those available to veterans be extended to the children of serving men whose death is due to service.

In support of this proposal we would point out that the economic status of a war orphan's mother is entirely changed as a result of the death of the father. Just as alternative rehabilitation benefits are made available to veterans so alternative benefits could be extended to the families according to their needs.

The Legion therefore submits the following proposals:—

- (a) It may well be that the needs of the family would be served by extension of the re-establishment credit, for the purpose of keeping the home together.
- (b) That educational and vocational training benefits for the children may be the benefit that will meet the immediate need.

- (c) The family may be so constituted that the benefits of the Veterans' Land Act would provide the best means of establishing them.
- (d) That free medical service be extended to the family in the same manner as it is now extended to pensioners, up to the age of self-support.

To illustrate the changed economic circumstances of a mother with one child when the father is killed, the following facts are given, based upon captain's pay and allowances:—

| <i>Father Alive</i> | | <i>Father Dead</i> | |
|---------------------------|----------|-----------------------|---------|
| Separation | \$ 50.00 | Widow's pension | \$66.67 |
| Child (1) | 12.00 | Child (1) | 15.00 |
| Assigned one-half pay.... | 100.00 | | |
| | <hr/> | | <hr/> |
| | \$162.00 | | \$81.67 |

The rate for first child has not been changed since September 1, 1919. Family allowances have now been added.

Whereas a childless widow may make ends meet by working, the widow with one child or more must make an attempt for the sake of her child or children to keep up a home, and \$15 is certainly small assistance to that end.

CANTEEN FUNDS

The matter of the administration of canteen funds is one which should receive immediate attention. Following the war of 1914-18 a policy in regard to the distribution of these funds was not settled for some years and in the meantime there were no funds available for assistance in deserving cases. It is felt that this situation should not recur.

It will take time to work out a national policy in respect to all these funds but, in the meantime, it is necessary that steps should be taken to relieve immediate cases of distress. The Canadian Legion, therefore, recommends insofar as army funds now in the possession of the government are concerned:—

- (1) That a national board of trustees be immediately set up, which will be charged with the responsibility of administering the funds now available in Canada;
- (2) That it shall be the responsibility of this board to lay down the general lines upon which distribution of the funds shall be carried out;
- (3) That provincial boards be established in each province to handle cases in such province;
- (4) That instead of the national fund being allocated to provinces, as was done following the war of 1914-18, the whole fund be held by the national board, and that advances be made to the provincial boards from time to time, for distribution as required and when properly accounted for.

By this means the security of the fund can be safeguarded and losses, such as occurred in connection with the 1914-18 canteen funds, eliminated; and furthermore, funds can be made available where necessity exists. Conditions in Canada vary in different localities from time to time and it may quite easily happen that conditions in one part of the country may require much greater assistance than in others. For instance, British Columbia by reason of climatic condition attracts large numbers of small pensioners, and the calls upon the canteen fund in British Columbia will unquestionably be greater, as experience has proved, than in other provinces. A hard and fast allocation of funds on the basis of population, or of enlistments and discharges, makes it impossible to meet the actual needs which may arise in any particular area.

RECIPROCAL ARRANGEMENTS WITH UNITED STATES

A large number of citizens of the United States who served in Canada's armed forces are now being discharged. They are entitled to all the post-war benefits available to their Canadian comrades under existing regulations, but can take full advantage of them only if they remain in Canada. The Legion has learned from experience that the inability to participate in Canadian benefits or in any benefits provided by their own government for men who served in the American forces, created a difficult problem after the first great war. With this in mind the Legion has consistently urged that some reciprocal arrangements should be made between the Canadian and United States governments to enable nationals of both countries who find themselves barred because of residence to secure the post-war benefits to which they would otherwise be entitled.

This matter will be made the subject of a separate submission by members of the Canadian Legion from the United States on Monday next.

APPENDIX "A"

REHABILITATION OF CANADA'S FIGHTING MEN

A Brief Submitted on July 2, 1943, to the House of Commons Committee on Post-War Reconstruction and Re-establishment by the Canadian Legion

INTRODUCTION

In preparing this brief on reconstruction and re-establishment the Canadian Legion has endeavoured to consider the subject from the point of view of the men and women now serving in the armed forces, and what is likely to happen to them, both in the immediate post-discharge period and in regard to the future that will be in store for them as a result of the measures to be taken. We recognize that their rehabilitation must proceed concurrently with the wider problem of re-establishment of all who are to-day solely engaged in wartime industrial activity.

The men and women know that their rehabilitation into civil life will have to occur during the period of reconstruction. Reconstruction, therefore, embraces for them any legitimate activity for which they are or can be fitted that will provide a living and a reasonable opportunity for advancement and permanency. Re-establishment will mean to them continuous employment with adequate remuneration, without regimentation or destruction of personal initiative, whether it be as an employee or as a proprietor of a business or as a professional man or as an executive.

For the most part our fighting men will still be young men after discharge. The sins of the past in permitting mass unemployment to occur, and the sometimes almost inhuman methods of dealing with it, will remain to them merely a bad dream if our efforts at reconstruction succeed. But if they fail, they will know that they have fought in vain, and so will we.

Before we can have proper reconstruction measures working effectively we must first of all reconstruct our own minds. The years of depression left with us a "relief mentality" when thinking in terms of human welfare. But when dealing with the prosecution of the war we are generosity itself. In this year's Victory Loan the Finance Minister asked for one billion one hundred million dollars. He got nearly two hundred and four million dollars more than he asked for, and no one was hurt in the giving. But, if the relief mentality persists, let Mr. Ilsley or anybody else try to raise this amount of money for work which will be repaid in dividends of human happiness and comfort, and thousands of persons will feel hurt, at least mentally, for fear that their bank accounts will suffer.

Canada can never survive, nor indeed will her people tolerate, another period of depression such as she experienced before the war. The causes of depression, now commonly believed to be due largely to the ignorance, short-sighted selfishness and stupidity of human beings, must be ruthlessly destroyed, or the men and women who have served both in our armed forces and in our war industries, and their friends, will seek to change our economic system, and we believe the vast majority of their fellow-citizens will help them change it.

Moral Issues

The issues of this war have often been presented as a struggle between right and wrong, freedom and slavery, good living and bad living. These can be translated during peacetime here in Canada into terms of plenty and want, employment or unemployment, a high standard of living or a low standard of living, etc.

There is a moral obligation to members of our armed forces upon their return to civil life. Immediately following the outbreak of war, representations were made by the Legion to the Government, one of which, having to do with this obligation, laid down the following principle:—

That adequate steps be taken to ensure that those who volunteer for service shall in no way be penalized on their return to civil life and, so far as possible, shall be assured of that place in civil life which they might reasonably be assumed to have obtained had they not enlisted.

We think this committee will agree that it is a moral right that men and women who have served their country in the armed forces should, as far as possible, be re-established in society in the manner suggested.

Four Freedoms

Ever since the enunciation of the "Four Freedoms" by Mr. Churchill and President Roosevelt—namely, freedom of speech, freedom of religion, freedom from want, and freedom from fear—men have been consciously or unconsciously endeavouring to realize just what these words mean in practical terms, as applied to the lives of individuals, to the community, to the country and to the world. Many discussions are going on to-day in military camps, both in Canada and overseas, on different aspects and phases of the meaning of these "Four Freedoms." They epitomize for many just what we are fighting for. Men will undoubtedly return from this war with a high expectancy of a decent standard of living because the mere enunciation and contemplation of the "Four Freedoms" as a design for peace and well-being has a tendency to raise hopeful speculation about the future.

Plans Ready or in Operation Before Demobilization

Many of us recall, during the closing days of the last war, the promises made that Canada was to be a country "fit for heroes to live in." We must avoid this time the disillusionment that followed the demobilization of our fighting men in 1918-19. The country was not prepared to receive them, and notwithstanding the desire to do well by them, a great deal of hardship was suffered because of lack of adequate preparation. This time there should be well co-ordinated plans ready, worked out in detail, with federal, provincial and municipal governments co-operating, insofar as possible, through trial and test. This necessarily predicates financial assistance on the part of federal authority to provinces and municipalities.

Federal-Provincial Relations

This brings us to the consideration of an important aspect of reconstruction, namely, the unity of Canada, particularly as it relates to the successful operation

of national reconstruction plans. In this connection it would be as well to present to this committee the following views expressed by the Legion before the Royal Commission on Dominion-Provincial Relations, in May, 1938:—

It should be recognized that, since the passing of the British North America Act, the whole social system has undergone almost revolutionary changes for which our present rigid Constitution is ill adapted. Some elasticity must be provided and consideration given to the fact that the process of change is by no means complete, and that a strong central government, which we contemplate, must be in a position to deal with these processes. If we are a nation, then all our nationals are entitled to equal treatment. This can only be ensured by national action; and you cannot have a united and happy people if rich and prosperous areas are accorded privileges which are denied less fortunate areas because the local government is incapable of meeting the need. At present the Canadian economy is one, and all the important tools of economic policy are under federal jurisdiction, e.g., the tariff and external relations, trade agreements, internal peace, banking, railways, etc., and yet all the social legislation made necessary as a consequence of economic development is under provincial jurisdiction. In other words, the central authority determines, as far as possible, the economic trend of our national life, but the resulting domestic problems are the responsibility of another authority.

Certainly, men returning from this war will have a right to expect that the problems of Federal-Provincial relations, as they affect national schemes for reconstruction, will have been solved. It should be possible to secure that harmony of aim and practice throughout Canada which will produce conditions for the acceptance and successful operation of national rehabilitation measures, coupled, of course, with the assumption by the federal government of a part of the financial burden devolving upon provincial or municipal governments in the carrying out of purely provincial or municipal schemes of reconstruction, as distinct from those of a national character.

A Post-War Measures Act

We believe that the recommendations of the Sirois Report should be re-examined in the light of conditions as they will exist after the war, and that the principal recommendations of that report, as they may be modified in the light of such conditions, should be implemented.

In view of the difficulties which might occur in an agreement on a long-term basis for an amendment to the British North America Act, it is suggested that agreement on essentials, looking to rehabilitation, be achieved with the provinces forthwith, and that the principles of this agreement be embodied in an act which might be known as "The Post-War Measures Act," the application of such an act to be limited to a period of years—possibly five years—during which measures of control and measures for rehabilitation will necessarily have to be under a central authority. This will require agreement by the provinces, and we suggest that steps looking to this end should be taken immediately. The experience gained during the period covered by this enactment would undoubtedly prove beneficial to a long-term settlement of the many controversial problems affecting the Dominion and its provinces.

Political and Economical Problems

The Legion is not among those who think we must win the war first before planning for peace. We nearly lost this war because we were unprepared for it, and we do not intend to lose the peace for the same reason. We are aware that studies are being made by various committees set up by the Government and that evidence of their work has already been submitted to this committee. But it is now time for reconstruction planning and practice to begin.

To win the war and to force complete capitulation of the enemy are essential to our reconstruction program. But Canada can take some preliminary steps in anticipation of complete victory to enter discussions with representatives of other allied countries, and a great deal of groundwork can be laid in the formulation of foreign and domestic policies suitable to Canadian interests. The International Food Conference illustrates this point. The spirit and idea of selfish nationalism and self-sufficiency should form no part of our national or international relations.

In our opinion there can be no return to the system prevailing during depression years, and a type of economy must be developed which, while providing for individual liberty, ensures employment and a decent standard of living for all, including those who through no fault of their own are physically unable to accept employment. To this end we should be prepared to accept whatever type of controls may be necessary, either through the retention of those now in effect or through new ones which must be created to cope with post-war conditions.

Freedom and control are not incompatible when control is exercised to prevent or restrain harmful actions, or conditions harmful to the public generally. Without restraining laws there would be little or no personal or political liberty. Similarly, without restraint there can be no economic freedom; that is, freedom to consume as well as to produce. Control is exercised in the maintenance of law and order and in the prevention of crime. It is exercised in the direction of industry. Wise control of the nation's business is now necessary if unemployment and want are to be avoided. This is a responsibility of government.

World Trade

This war has demonstrated that we have been able to keep our people employed and, within the limit of the basic supplies available, fed and clothed during a period of stress. We have, moreover, supplied our allies with the products of our own soil and resources. This provision, both for ourselves and others must, in view of the destruction and conditions throughout the rest of the world, continue for some considerable time. It may be that we shall have to cast our bread upon the waters, but the lesson is that, through the brain and brawn of our workers, we have been able to do all this and yet maintain adequate living conditions in this country. Provided jobs are furnished, the same conditions can hold good in the post-war period while world trade is in process of rebuilding.

Freedom from Want in Terms of Food, Shelter and Fuel

We do not subscribe to the view that freedom from want and freedom from fear cannot be realized until we establish world markets. It is our belief that this country can produce all the food it needs to maintain the health of its people, and the raw materials to provide them with shelter and fuel. These are the three basic needs in providing adequate subsistence. Whatever external conditions may be, the Legion submits that the Government can evolve a food policy to provide abundant food for all, a housing policy to see that the people have well-designed houses, and a fuel policy for an abundant supply of fuel, at prices and rents that make them available to all. We do not want a return of the conditions after the last war when money was available for building theatres and places of amusement but not for dwellings. Industry is a means to an end. Its function is to produce in necessary quantities the things we use and the things we eat. We submit, therefore, that the supplying of primary needs must have an important place in our reconstruction program. We are not suggesting that export markets are unnecessary to our prosperity, but we

do assert that, regardless of the export market, the primary needs of our people can be met, wholly or to a large extent, from our own resources, by our own efforts.

Markets for Our Products

Measures must be taken to explore and cultivate both domestic and foreign markets for our products. In foreign trade our aim should be to deal with countries that can supply things we require in our economy to satisfy our basic needs, and which we cannot or do not produce ourselves, or which we cannot or do not produce economically.

In this connection there should be an extension of our Trade Commissioner Service, particularly in countries of backward development but possessing large population and high potential purchasing power for modern products of industry. There should be developed the freest possible intercourse between Canada and other nations in the matter, among other things, of trade and commerce, subject always to the overriding proviso that something approaching equality in standards of living in these various countries is attained.

Standard of Living

The Legion believes that the peace will not have been won for Canadians unless it is possible to keep employed all who are able and willing to work, with remuneration that will provide a standard of living well above the subsistence level. The moral issues involved in wage rates must be faced as well as the economic issues. We are convinced that unless the minimum wage is linked to the cost-of-living index and rigidly observed there will be many people who will fall into a condition of semi-starvation—as was the situation in some parts of Canada in pre-war days—not because there is insufficient of the necessities in existence in Canada, but because a moral issue has not been faced. We believe that the people of Canada will never again tolerate conditions of poverty and unemployment such as existed during the depression years 1930-39. The welfare of the people of this country must be considered in the formulation of industrial policy. We believe that the State should see to it that all unemployable and incapacitated citizens have adequate subsistence; that those who are employed receive something additional to adequate subsistence for the work they perform; and that this obligation should be imposed upon all employers in the country. The imposition of employment conditions of semi-starvation are not far removed from slavery.

Sacrifice Necessary for Peace as Well as for War

If sacrifice of special privileges or prerogatives, or even money in the form of taxes, is demanded of citizens of this country to bring about the necessary changes, our fighting men will expect that such sacrifice will be imposed and undertaken willingly for the common good. The Legion believes, and has previously expressed the view, that reconstruction and rehabilitation should be treated as part of the war effort and that the necessary funds should be raised through taxation as they are now being raised in large part to carry on the war effort.

We regard the working out of the relationship between industry and the Government, and the controls to be maintained during the period of transition, and, indeed, until the task of reconstruction and rehabilitation can be considered to have been completed, to be of the utmost importance. What happened after the last war must not happen again. We are reminded of a quotation from Mr. Churchill's book, "World Crisis." Describing the sudden reversion from wartime open-handedness to peace-time parsimony that came over our financial system from 11 o'clock on November 11, 1918, Mr. Churchill said this:—

A requisition, for instance, for half-a-million houses would not have seemed more difficult to comply with than those we were already in process

of executing for 100,000 aeroplanes, or 20,000 guns, or two million tons of explosives. But a new set of conditions began to rule from 11 o'clock onwards. The money cost, which had never been considered by us to be a factor capable of limiting the supply of the armies, asserted a claim to priority from the moment the fighting stopped.

Finance the Servant and Not the Master

At the 1942 Dominion Convention of the Legion held in Winnipeg, the delegates endorsed the following clause in the report of the 1941 Malvern Conference, of which the Archbishop of Canterbury, Dr. Temple, was chairman:

That the monetary system be so administered that what the community can produce is made available to the members of the community, the satisfaction of human needs being accepted as the only true end of production.

The conception that wealth does not depend upon money but on the brain and muscles of the nation's people and on their ability to develop the country's natural resources, on their manufacturing skills and on the farmers' ability to produce food, should be given practical expression. The abundance which this ability is able to provide, when fully occupied, and the distribution of what it produces are what count to-day. To maintain financial and industrial principles and practices which in ever-recurring cycles deny the means of livelihood to large numbers of the population, and a reasonable share of their own production in goods and services to even larger numbers, is to invite revolution.

The Legion has no pet theories on the question of finance. It does maintain, however, that in a democratic country the people have a right to tell their legislators the results they want to expect that a determined effort will be made to attain them. The people of Canada generally are not prepared to accept a postponement of social progress because they are told that the country cannot afford it.

Whatever the faults of our financial system, a great war effort has been made. Alone of the Dominions, Canada had donated during the last two years two billion (\$2,000,000,000) dollars to the cause of the United Nations. This in addition to building a great air force, a powerful navy and army, and also supplying huge quantities of weapons and munitions for our own and our allies' use. This achievement has been possible because almost every citizen is working, saving and contributing. Unless the Government and those who are responsible for industrial and economic policies make it possible for all citizens to continue working, any post-war financial or fiscal policy will fail. Indeed, the danger of the post-war period is in the feeling that we can all relax and that somehow, by some financial wizardry, we can achieve peaceful plenty. The way to overcome this is to plan ahead and tell the people what lies before them and keep them all working.

The opinion is now generally held that if full employment is to be effected during the immediate post-war period there must be expenditures from public funds for public works on a large scale to supplement the efforts of industry. This may conceivably leave our budgets unbalanced. A similar situation will undoubtedly occur in many other countries with which we must have relations if we are to develop foreign trade, and it is our belief that notwithstanding this, post-war agreements can be reached with these countries so that they do not lose confidence in our currency and stability or we in theirs.

The plans now being proposed by Britain and the United States to stabilize international exchange are no doubt receiving the consideration of our Government, particularly the proposal to introduce a dual currency—one for external use and the other for internal use. Whatever the means adopted to deal with

international economic relations, we are convinced that it should be possible to keep the people of this country so occupied with our own resources that they can supply at least the majority of their own basic needs for subsistence. Having brought the wherewithal into being, a way must be found to distribute it to every citizen, sufficient for his needs, either through work and wages, or a social security plan, or both.

Forward Planning to Convert War Industry

The expansion of war industry with a consequent increase in industrial workers present a problem that necessitates forward planning if millions of dollars in plants and equipment are to be saved from the scrap heap, and thousands of workers now engaged in these plants are to be retained in employment. It is recommended by the Legion that immediate steps should be taken to survey all industrial plants engaged in war industry with a view to ascertaining those which might be converted into peacetime manufacturing, and that definite information be secured as to the number of persons that can be employed in such plants in each locality.

We believe the change-over from wartime to a peacetime basis should be gradual, especially if one of our chief enemies continues fighting after the other has capitulated. Rather than precipitate too great a dislocation of our industrial population immediately following the cessation of hostilities, some war industries should be continued for a time. The stocks of munitions so produced will undoubtedly be found of service in the post-war policing of the world and in the sporadic outbreaks which will probably continue for some time after the war.

The commercial development of processes and products introduced during the war should be the object of immediate research and organization. Private industry should be subsidized, if necessary, to begin operations.

Retarded Demobilization

The rehabilitation of men being discharged while the war is in progress presents few difficulties because they are almost immediately absorbed into war industry. The situation, however, will be very much different at the termination of hostilities and when demobilization begins. The Legion understands very well from its own experience the nature of the difficulties which will confront the Government at such a time, not the least of which will be the impatience of the fighting men to return home.

Nevertheless, at the last Dominion Convention another principle was laid down that men should not be discharged from the armed forces except to gainful employment. We believe that demobilization of the armed forces should be as carefully planned as mobilization. Certainly, men should not be released from service to communities that are ill-prepared to receive them. We believe also that all discharged men should remain a federal responsibility for a definite period of readjustment after discharge. The present Post-Discharge Re-establishment Order establishes this period at one year. We feel, however, that this time limit may have to be extended if general conditions should make it impossible for discharged men to become re-established in civil life in that time.

We are aware that retarded demobilization has been under consideration by the Departmental Committee on Demobilization and Rehabilitation. If this committee has made any recommendations we would earnestly ask the Government to make them public as soon as possible. It is to be expected that the troops will wish to return home as soon as possible after hostilities have ceased. Definite steps should be taken to deal with the understandable impatience that will undoubtedly be expressed and to avoid the unhappy conditions that existed in some of the Canadian camps in England at the end of the last war. Demobilization plans should be ready and thoroughly explained so that there will be some understanding of the problems involved.

The Position of Discharged Men

Fighting men when they enlist are cut entirely adrift from civil occupations and their interest in economic and social problems ceases to be one of political application and becomes almost entirely academic. This interest is nevertheless keen and active. They cannot share in the discussions or have a hand in deciding economic issues in office, factory or farm. When they return they will have lost practical touch with civil life. Furthermore, men who are now serving overseas will be the last to again enter civilian life, and their opportunities for placement and advancement will be that much more handicapped. Fighting men know this, and they rely upon us not only to lay firm foundations for reconstruction, but also to see that they are not left at a disadvantage when opportunities for re-establishment are presented.

The Legion desires, therefore, to make the point that any plans of reconstruction that do not provide for preferential treatment of the fighting men will be regarded as unjust and will bring bitter reaction.

Preference in Employment

We desire to put forward the proposal that provision shall be made for a general preference to discharged men in all employment, whether under private enterprise or under the federal, provincial or municipal governments throughout the country.

There are at present approximately 750,000 men and women in the Canadian forces. It is our contention that any of these men and women who seek employment, and especially those who have served overseas or who have been out of civilian life for a lengthy period, should be given special consideration by all employers. While we are sure that employers generally will not need to be reminded of their individual and collective debt to those who have risked their lives in their country's service, nevertheless we believe that some definite method will have to be laid down to prevent any haphazard hit-and-miss application of a preference which we are sure everyone will wish to extend. At the Dominion Convention of the Canadian Legion last year the following principle was laid down:—

In order that the ex-service man may receive the benefits to which his service to the country entitles him, your committee strongly recommend that this convention go on record demanding an over-all preference in the matter of employment for all honourably discharged ex-service men and women, provided always that the individual is qualified to fill the position.

The Legion realizes that there are many factors involved in the determination of the manner in which this preference shall be applied. Whatever method is adopted it certainly will require the goodwill of all concerned, and perhaps sacrifices on the part of some. We recognize that every employer desires to obtain or retain employees who have exceptional skill, but it is our belief that conflicts between the principle of preference and the principle of merit will not frequently occur because, even if all ex-service men are absorbed into industry, there should still be plenty of positions for others if the country's hopes for full employment are fulfilled.

Our objective, of course, is to secure employment for all discharged men as soon as possible after the cessation of hostilities, and to maintain them therein. At the moment two methods have been under discussion. The first is to require government employment offices throughout the country to furnish to employers the names of any qualified ex-service men available whenever a call for help is made. This measure would be supplemented by the efforts of the Citizens' Committees already set up throughout Canada, which will endeavour to persuade employers voluntary to take ex-service men in preference to others.

The other method of giving ex-service men preferential treatment is to establish a statutory quota, requiring every employer to maintain in employment a certain percentage of ex-service men.

A third method, which has not been thoroughly explored, is the setting up of a placement service for veterans, separate from that provided by the employment offices of the Unemployment Insurance Commission.

Whatever method is adopted for applying an over-all preference, The Legion urges that steps be taken to see that the fullest possible use is made of the Government employment offices and that no resort is made to political patronage. Government contractors, both federal and provincial, and Government departments, for certain types of employment, should be required by law to fill all vacancies through the U.I.C. employment offices, and preference should be given to discharged men and women of this and the last war. Steps should be taken immediately to secure the co-operation of provincial governments towards this end.

Social Security in Immediate Post-Discharge Period

For the majority of ex-service men rehabilitation and social security will mean a good job at good pay, with adequate provision for their future. For others who have suffered because of injury or disease, it will mean compensation in the form of a pension, but many of these will also be fit to take full employment at some task suited to them. Others again, who become totally unemployable because of their war injuries, must be adequately taken care of at rates which will provide more than subsistence for themselves and their families in order that they shall not be denied those things which, while not absolutely necessary, help to make life worth living in our time. There are also the bereaved, the widows and orphans, who must be taken care of in a similar manner in order to ensure that some of the advantages may be available to them which would have been theirs had the breadwinner not sacrificed his life for his country.

The Federal Government has already brought in legislation and regulations on behalf of ex-Service men and women of this war which may or may not measure up to the hoped for standard of living for all after the war. It has practically assumed the full responsibility for social security of all discharged persons for a period subsequent to discharge. After this period there will be a large number of discharged men who in the future must look to civilian measures for social security. The Legion, therefore, is keenly interested in a general program of social security and desires to see action in this direction taken as soon as possible. The Legion's views in respect to social security measures will be included in a brief to be presented to the House of Commons Committee on Social Security, and therefore will not be dealt with to any large extent here.

Civil Service

The statutory preference to ex-Service men has already been extended to the discharged men of this war. Approximately 35,000 veterans of the last war have been appointed to either permanent seasonal or temporary positions in the federal civil service. Many thousands of them have found permanent re-establishment therein. On the whole this preference has been a good thing for the Service, first of all because none could be appointed without being fully qualified; and, secondly, because ex-Service men as a result of their war experiences are, for the most part, well-disciplined, have a keen sense of responsibility and are reliable. The men of the armed forces today should prove even better material for re-establishment in the civil service because, on the whole, they are better educated, and modern warfare has developed abilities which were not possible during the last war.

Placement of Severely Handicapped

The placement of severely handicapped ex-Service men is a special problem which should receive special treatment, and it is our opinion that a great deal more can be accomplished towards the scientific placement of such individuals in both the civil service and industry. Steps are being taken by the Government to train such men for suitable employment, but this work will remain unfinished unless suitable employment is made available.

Vocational Training

The provisions made by the Government to fit discharged men to re-enter civil life are both practical and all-embracing. It is essential, however, to prepare plans *now* in order that adequate facilities shall be available throughout the country for vocational training when demobilization takes place. This involves close co-operation between the federal and provincial governments and other bodies, so that facilities now available may be fully utilized and others provided. Particular reference is made to the buildings and facilities now in use by armed forces which can be converted and used for post-war vocational training. A survey of these should be undertaken at the earliest possible moment and plans made so that they can come into operation without delay as the need arises. Expensive duplication of effort must be avoided. Provision should also be made so that discharged men are given preference in vocational training in order to fit them as quickly as possible after demobilization for civil employment.

Education

The result of this war will undoubtedly show that it is the best educated nations, with the fewest inhibitions and prejudices, which will have emerged victorious.

Education has hitherto been considered entirely a matter for provincial development. Experience has clearly shown that some co-ordination of effort, standards and practice is necessary. A great deal of useful work has already been done by our Canadian Legion Educational Services in the setting up of an educational system parts of which have been adopted by the armed forces, and other parts of which are available to those in the forces who desire them. The basis of this system, and the tests and examinations used in connection therewith, have been mutually accepted by the educational authorities in every province and Newfoundland, and by the universities. This is the first time in the history of Canada that an agreement of this nature has been obtained, and great credit is due to Lieut.-Colonel the Hon. Wilfrid Bovey, O.B.E., L.L.B., L.L.D., D.Litt., F.R.S.C., Chairman of Canadian Legion Educational Services, and those educationists who have worked so untiringly and successfully with him to place this educational system at the disposal of our serving men and women.

This system can and should be continued, expanded and extended to both ex-Service men and women, and to civilians when the war is over. Thousands of young men and women will need re-education for return to civil life. This is surely a federal responsibility. Immediate planning for post-war education will, therefore, be necessary.

The present educational system in Canada discriminates against the rural population and those living at a distance from centres of education—particularly of higher education—already established. The mere provision of educational facilities is not sufficient unless there is, in addition, a subsidization to those living at a distance, in order to permit of their taking advantage of it.

In general, we feel that a great deal can and must be done by the Dominion Government in the field of education to create a real national spirit and unity in this country and to this end jurisdictional difficulties must be removed.

Nutrition and Physical Fitness

Disclosures regarding the general fitness of Canadians, resulting from medical examinations for enrolment in the armed forces, as very disturbing. When fifty per cent of the men offering themselves for service have had to be rejected—35 per cent for physical disability and 15 per cent for “emotional instability”—the only conclusion that can be reached is that Canada’s health problem is serious. That much of the trouble is due to lack of nutrition has already been demonstrated to this committee and it is not necessary for us to elaborate here. That physical fitness is to some extent dependent upon adequate subsistence is also a fact that needs no further elaboration, and we can only add that the Government and the people of this country must now face this issue as one of the basic needs of our reconstruction program, and action on a permanent basis should be taken immediately to deal with the problem, even if considerable sums of money are involved. In this connection, The Legion regards as sinful waste the destruction of surplus foodstuffs produced in any part of the country. We insist that in future provision be made through proper methods for the distribution of any and all such surplus foodstuffs.

Maintenance of Canadian Armed Forces

As one avenue for employment The Legion believes that Canada should maintain a navy, army and air force of some considerable strength after hostilities cease. This war has taught us the lesson that right must have might to support it. Therefore, there should be no return to the state of disarmament that existed in Canada at the outbreak of the present war.

We believe that war industry should not be completely dismantled, but that a policy should be adopted of subsidizing shadow factories for the potential development of new military inventions.

Labour Relations

The Legion urges the development of a definite Dominion labour policy and the firm application thereof. This policy should be designed to encourage good relations between capital and labour. It should provide for greater representation by labour on Government policy-forming and administrative bodies which can affect their interests. The Legion believes that there should be provision for compulsory arbitration of industrial disputes, the finding of which should be enforceable. The right of workers to full freedom of association in Unions of their own selection should be recognized by law.

Taxation

While advocating the continuance of taxation for re-establishment purposes, there should be gradual relaxation to permit of the individual taxpayer and companies developing their holdings out of earnings. This is the basis on which this country has been built up. We believe the maintenance of private enterprise and initiative, the granting of an incentive to individual and company effort, and the utilization of the profit motive is possible under a properly designed taxation program. This program should be flexible and should be utilized to eliminate extremes in business cycles.

We strongly urge the establishment of one taxing authority for the Dominion, with distribution to the provinces on a basis to be mutually arranged. This has particular reference to income tax, succession duties and sale tax. Various nuisance taxes, however, should be eliminated.

The war has demonstrated that the people of Canada will cheerfully pay taxes so long as they know they are receiving value for the outlay in terms of their own and their country’s well-being.

Agriculture—The Veterans' Land Act

Agriculture is a basic industry in Canada. Farm products are a world-wide necessity. Furthermore, we will be obliged to assist in feeding the peoples of the countries ravaged by war. Just what effect this will have on the economic position of agriculture in Canada we are not competent to say, but we do know that the man who produces the foodstuffs must be adequately paid for them, and this is a problem for Government to determine.

Special provision has been made for veterans to become rehabilitated in agriculture. The condition of the industry will be an important factor in the success of those who undertake farming under the Veterans' Land Act.

We urge the Government to embark immediately upon the purchase of suitable lands for veterans so as to forestall any sudden demands for land which will tend to raise prices. Settlement on poor land must be avoided.

The possibilities of veterans acquiring improved properties should be explored. There are owners who through age or illness are unable to continue operations. In such cases the Government might well consider granting the owners an annuity on a generous basis but having relation to the value of the property.

We would also suggest that, in the clearing of land, use be made of the tremendous accumulation of construction machinery assembled during the war for the armed forces.

The Legion would also urge an examination into the possibilities of the development of co-operative effort among farm communities, both in respect to the purchase and use of farm machinery and in marketing.

We believe that the actual process of settlement should not be precipitate but on a gradual basis, spread over a period of years, which will ensure orderly acquisition of suitable lands at fair and reasonable prices and the avoidance of misfits among those who desire to avail themselves of the provisions of the Act. The actual volume of settlement in any year should be rationally controlled if we are to get the best permanent results from this scheme.

In any event, the rate at which veterans can be placed on the land will depend to some considerable degree upon the possibilities of obtaining essential farm machinery, stock and construction materials. The period of chaos and necessary re-establishment of Europe on the termination of the war will undoubtedly draw heavily upon our production of farm implements and other agricultural requirements. Preparation to meet the need should begin as soon as possible.

This gradual settlement would necessarily call for some extension of the existing rehabilitation benefits which are not presently available beyond a fixed period of 18 months following discharge from the service. It is suggested therefore that the right of the ex-service man to that feature of the rehabilitation scheme which provides for assistance during the time required for re-establishment in a new venture should remain open to those seeking establishment through the provisions of the Veterans' Land Act and should commence at the date of their actual establishment on the land.

Where virgin or undeveloped land is acquired by the Government for the purpose of settlement, the opportunity should be taken to utilize the services and labour of potential settlers in clearing such land and otherwise preparing it for immediate cultivation and settlement before any attempt is made to settle any veterans on it.

Lands suitable for agriculture in Canada are limited. A survey and classification of all land should be undertaken with a view to indicating its economic possibilities. For example, in the province of Manitoba a successful scheme for the flooding of waste areas has provided facilities for the development of the fur trade. No doubt other uses can be found for land unsuited for agriculture. Veterans finding sources of livelihood from such land will still be eligible for consideration under the Veterans' Land Act.

Diversification of Industry

The Legion urges that the Federal Government should take steps in conjunction with provincial and municipal authorities, towards the diversification of industry throughout Canada. Such steps are essential to the maintenance of population in the western provinces, where the establishment of light industries in rural agricultural areas would provide employment to sons and daughters in farming communities who otherwise would be compelled to move elsewhere to secure a livelihood.

Development of the use of agricultural products in the manufacture of plastics and other substances—made possible as a result of modern research—would give great impetus to progress in the Western Provinces and, indeed, in other rural areas throughout Canada.

Rural Road Building and Public Utilities

In the rural districts of our country great scope exists for improvement in the general standard of living of those engaged in agriculture. For example, building of all-weather roads, extension of electric power, light and telephone systems, and rejuvenation of agricultural dwellings would result in benefits that would be twofold. First, it would make agriculture attractive, not only to those now residing in rural areas, but also to those who might desire to settle on the land after the war. Second, it would create employment in order to provide the goods and materials that such a program would require.

Reforestation and Soil Conservation

The possibilities of the rehabilitation of ex-Service men through conservation has been brought to public attention by conservationists in co-operation with The Canadian Legion. An experimental survey has been conducted jointly by the Federal Government and the Ontario Government of the Ganaraska watershed, the results of which indicate both the necessity for a conservation program and its possibilities as a rehabilitation measure. The Legion urges that the Federal Government, in conjunction with provincial authorities, conduct similar surveys throughout Canada, upon the basis of which a national conservation program can be developed. These undertakings should not be conducted on the basis of relief work but rather as operations necessary for the welfare of the country and its people, and paying adequate rates of wages.

Similar action should be taken in respect to the conservation and rehabilitation of soil. There is abundant evidence to show that our agricultural lands have suffered greatly because of the lack of any satisfactory policy. The productivity of the soil is a natural asset and lands should not be permitted to go to waste. In this connection we would urge that the Government take adequate steps to ensure the production and sale at reasonable prices of suitable fertilizers, which at present are beyond the reach of most farmers.

Great waste also exists in our forests. A national program of reforestation is necessary. What work is now being undertaken is inadequate. In this field the Government can properly seek the co-operation of industries dependent upon our forests for their raw materials.

Moreover, the question of clearance of forest areas with a view to the removal of the fire hazard and the utilization of the forest material so obtained should be fully explored. With the development of the chemical industry and knowledge of the multifarious uses of wood gained during the war, it is believed that work of this nature might lead to a proper and efficient use of our magnificent forest resources, the development of a powerful industry and the saving for use of future generations of vast tracts of valuable forest wealth.

Mining

There should be an extension of the geological survey, coupled with a policy of encouraging prospecting. The latter offers a means of re-establishment for veterans if training facilities are also provided.

We believe the Government should co-operate with financial and mining interests in the acquisition of capital for mining ventures. Furthermore, there should be more adequate but sympathetic supervision, and if necessary some measure of control by Governments of companies seeking funds from or holding funds of the public.

Fishing

The waters within and adjoining the boundaries of our country have been a lucrative source of wealth to Canada, although at times the fishing industry has suffered some severe depressions resulting in great hardships to those engaged in it. Nevertheless, it is possible that many men now serving in our expanding Navy will desire to establish or re-establish themselves in the fishing industry and, together with small holdings acquired under the provisions of the Veterans' Land Act, they will be in a position to earn a good livelihood if fish can be marketed at an economic price for the primary producer.

Fishing is another of our basic industries which, due to economic conditions, has often provided meagre returns to those engaged in it. It is our opinion that steps should be taken to ensure adequate returns to fishermen, even to the extent of subsidizing the industry when occasion warrants.

Immigration

It is The Legion's opinion that a plan of immigration should now be in the making which would ensure settlement in this country of that type of citizen who can be readily assimilated after the war. Many men now serving in the British forces and employed in British war industries may desire to settle in Canada after the war. This type of citizen should receive prior consideration. The Legion regards immigration a direct responsibility of the Federal Government by which it should be entirely conducted. In any event, early steps should be taken to determine an immigration policy for Canada which should also take into consideration plans for settlement and colonization. It is certain that if Canada enters an era of prosperity after the war, immigration pressure will be great and some adequate method of selection will be necessary.

Consideration should be given by Parliament to the necessity for increasing the population of Canada by immigration, but measures should be applied gradually and only after the problem of adequate provision for the return to the Canadian economy of veterans of the present war has been solved, and those engaged in war work have been established on a sure and satisfactory basis.

In any immigration policy introduced care must be taken that no immigrant be exploited by those interested in the sale of property, acquisition of cheap labour or in the development of their own selfish personal interests. Land settlement under immigration should be permitted only in areas capable of economic development.

Housing

A basic subsistence need in Canada is adequate housing. The ideal situation would be if each family could own its own dwelling. However, industrial conditions in a large number of cases do not permit this and, therefore, good quality houses, at low rentals, are a necessity. The Legion urges that there should be a national housing policy developed, which must necessarily secure the co-operation of provincial and municipal authorities to become effective. Some cities and municipalities will undoubtedly be concerned about town planning and beautification projects. These should come within the scope of any national schemes that may be developed. However, the immediate need will be to provide housing at low cost for either individual ownership or rental purposes.

Most cities have slums. A national policy should give impetus to slum clearance. Houses unfit for human habitation should be condemned and some plan of enabling owners of the property to rebuild it should be worked out.

The Development of Transportation

There should be great development of the means of transportation after the war, co-ordinating steamship, rail, highway and airway traffic. All must be co-ordinated, regulated and developed to meet both international and domestic needs. Ways should be sought to reduce and equalize the cost of travel and freight rates. Means should be found to serve all communities, even if subsidization should be necessary in cases where the service is not profitable.

Provision should be made for the re-establishment of ex-Service men in all these services. For example, we believe personnel for civilian flying can be obtained almost exclusively from men discharged from the R.C.A.F., while railway and steamship companies should be ready to absorb men from both the Army and the Navy who will have gained experience which, together with some vocational training, will fit them for a variety of jobs with transportation companies.

Veterans of the Last War

The re-establishment of members of The Veterans' Guard of Canada and other veterans of the last war who, are again serving in the armed forces will present a difficult problem in that, upon the termination of the war, many will have long passed the period during which they can take advantage of most of the provisions for re-establishment presented and open to the young veterans. In view of their age, special consideration must be given to such veterans, whether by their establishment in protected industries, the setting aside for them of preferred positions, or their re-establishment in subsidized communities, or the provision of a special form of social security. This might be done under The War Veterans' Allowance Act, which could be amended to make them all eligible, whether or not they served in an actual theatre of war.

Post-War Provision for Merchant Marine

The Legion feels strongly that the personnel of the Merchant Marine, who ply the high seas in constant danger from enemy attack, should be given the same post-war benefits that are being provided for members of the armed forces. The risk of life is constant and the service is entirely voluntary, at rates of pay that are not in keeping with the risks.

Post-war provision has been made for these men and their dependents, but in comparison with the benefits available to the armed forces serving in a theatre of war they are not so well treated, particularly in respect to entitlement to pension.

We would recommend that Section 2 (a) (111) of Order-in-Council P.C. 104/3546 be amended so as to provide that pension by way of compensation for disability or death due to disease be authorized, and that the "insurance principle" shall apply in the same manner as set out in the Canadian Pension Act for those who have served in the Canadian Armed Forces in a theatre of war.

We would further recommend that all cases pensioned under this Order-in-Council shall be entitled to Class 1 Medical treatment and hospitalization under Order-in-Council P.C. 91.

Imperial Ex-Service Men

It is more than probable that after this war, as was the case following the First Great War, a considerable number of British ex-Service men will migrate to Canada. The Canadian veterans who fought alongside these men in the last war regard the "Imperial" as one of themselves. It has been a great source of bitterness to Canadian ex-Service men that, despite repeated representations, it

has only been possible to secure provision in old age for those Imperials who were domiciled in Canada at the outbreak of the Great War, leaving thousands who came to Canada in the post-war years unprovided for.

Efforts have been made by representation both to the British Government and the Canadian Government to better their lot. The British, however, have a social security system the benefits of which, of course, are forfeited upon migration, and thus the welfare of these men is now considered to be the responsibility of Canada.

Very strong representations have also been made to have Imperial ex-Service men included among the beneficiaries of The War Veterans' Allowance Act after residing in Canada for a long period, but so far without results. We are now asking the Government to face this problem fairly and to accept the responsibility for Imperial ex-Service men who have been long resident in Canada and to place them on the same footing as their Canadian comrades under the terms of The War Veterans' Allowance Act.

It is our understanding that the non-contributory social security measures of Great Britain are available to citizens of the self-governing Dominions, including Canada, after 12 years' residence, while contributory measures are available after shorter periods. Therefore, while we believe there is no comparable legislation to War Veterans' Allowance in Great Britain, it does not seem unreasonable to ask that men who fought side by side with our troops should also participate in this social legislation for veterans after a reasonable period of qualifying residence in this country.

Re-Establishment or Social Security Arrangements Between The United States and Canada

A large number of citizens of the United States are now serving in Canada's armed forces. When these men are discharged they will be entitled to the post-war benefits available to their Canadian comrades under existing regulations. They can take full advantage of these only if they remain in Canada. It is natural that many will desire to return to their homes, in which case they would forfeit many of these benefits.

The Legion has learned from experience that the inability to participate in Canadian benefits or in the benefits provided by their own Government for men who served in the American forces has created a problem which is extremely difficult to deal with.

We urge that immediate consideration be given to the possibility of reaching some reciprocal agreement with the United States Government whereby at least some re-establishment benefits shall be available to men in the United States discharged from the Canadian forces or any members of the American forces who remain in or migrate to Canada.

We believe that this reciprocal arrangement should apply also to the extension of social security measures, such as The War Veterans' Allowance Act, provided there is some similar provision in the United States which can be regarded as an equivalent.

* * *

In concluding this brief, The Legion desires to emphasize the necessity for the immediate practical development of Canada's reconstruction plans and making them available to the public at the earliest possible moment. While the war is not yet won, we should nevertheless consider reconstruction now in the light of a possible early collapse of the enemy and a sudden demand to start the process of returning to the status of peace. Education of the public mind we believe to be an essential step if a lot of misunderstanding, possibly leading to obstruction, is to be avoided. When hostilities cease, there will be considerable emotional excitement due to the release of pent-up feelings. We think that

if the government will blue-print its plans now and take the public into its confidence about the steps it intends to take in preparing for peace, such action will have a steadying effect during the period of readjustment, whether this be of short or long duration. Only in this way can we maintain unity in our efforts to win the peace.

APPENDIX "B"

Submission to the Royal Commission on Veterans' Qualifications by the Canadian Legion of the British Empire Service League Dominion Command.

The problem confronting this commission is urgent and complex. Thousands of men are now returning from overseas to be demobilized. The manner of fitting them into civil life with proper credit for the knowledge, skills and experience gained while in the forces will be to them the initial test of the democratic way of life for which they have been fighting. It would appear that at the moment no university, educational or vocational training institute is geared-up to cope with the task.

It is obvious that credit given for knowledge and skills learned in the forces will be of no value for rehabilitation purposes unless there is employment available in which they can be used, and information concerning such employment is immediately promulgated. To give credit that can be used in acquiring mastery of a trade or a university degree is but an empty gesture unless the trade or degree can be applied in useful remuneration employment.

It is the hope of everyone that mass or extended unemployment has been banished forever but no one as yet really believes this is so. Indeed, the fear of unemployment is as acute to-day as ever it was and this fear will not be relieved until each man willing to work is assured of a peace-time vocation or job, and the certainty of reasonable security therein. It is certain therefore that a large proportion of veterans will wish to take employment as soon as they can after discharge, utilizing whatever qualifications they possess at the time of discharge. It seems likely therefore that in many thousands of cases the point at which credit will have to be applied immediately if at all is when the newly discharged man or woman presents an application for placement to the local office of the Unemployment Insurance Commission. The individual need for employment may be so great, or the job offered may be so attractive, that it will be accepted regardless of whether an acquired skill or knowledge is involved. In such cases the application of credit would have to be postponed, or may never be needed if the placement gives satisfactory continuous employment. It must not be inferred, however, that the immediate acquisition of a job will represent satisfactory rehabilitation. With so many benefits to choose from the choice may well be postponed in many cases. The desire to take further training may come only after an effort to become re-established has been made in some other line of work than that followed in the forces. Furthermore, men will undoubtedly enter continuing war work of a temporary nature and this may present a problem if the training benefit is exhausted because of the time limit.

The establishing of credits for service courses and experience is undoubtedly the function of the provincial authorities as will be the determination of the standards by which they will be measured. Yet the federal government is charged with the responsibility of seeing that proper credits are given. The standards set up by the military authorities are undoubtedly standards established under federal authority and the veteran is entitled to an assurance that he or she will not be left to deal with a number of different authorities, be they educational, trade, universities or provincial governments without strong support in securing just credit. The establishing of this commission is an indication that the federal government is fully aware of the difficulties involved.

The Legion asserts that not only must full credit be given the veteran for knowledge and skill acquired in the service, but freedom to practice it immediately upon discharge or upon acquiring proficiency after training. We believe this cannot be effectively carried out for all unless at the earliest possible date:—

- (1) A veteran is able to move to any part of Canada to seek rehabilitation and to practise his trade, calling or profession without being handicapped, obstructed, or inconvenienced by conflicting governmental jurisdictions or by arbitrary restraints established by professional bodies or trade groups.
- (2) Standards necessary to a trade, calling or profession are made uniform throughout the dominion.
- (3) Matriculation standards are made uniform throughout the dominion.
- (4) And constitutional difficulties in administering the rehabilitation program are referred immediately to the Conference on Federal-Provincial Relations and machinery is set up to deal with them authoritatively and quickly.
- (5) This Commission on Veterans' Qualifications be empowered to make recommendations to provincial governments as well as to the federal government.
- (6) In any agreements entered into between the federal and provincial governments, the federal government can secure for the veteran a practical and effective means of assessing and applying credits in education, training and employment.
- (7) Unless adequate finances are forthcoming from the federal government to establish the means of carrying out the education and training benefits, by subsidizing provincial governments or provincial institutions, or by other fiscal means.
- (8) Notwithstanding the efforts of private enterprise to create and maintain employment the federal and provincial governments also open up avenues of employment.

In support of the proposal in paragraph (8) the Legion asserts that there are services and enterprises that only the government can undertake because private enterprise cannot enter certain fields of essential public services or undertakings such as roadbuilding, sewage disposal, irrigation, conservation, etc. These are not to be regarded as works of artificial stimulation of employment but as enterprises essential to the general well-being of all Canadians. The public and certainly the veteran will no longer be satisfied with a "no money available" dictum preventing the development of such services.

Before closing this brief, reference is made to certain representations made by the Canadian Legion before the House of Commons Committee on Post-war reconstruction and re-establishment on July 3, 1943. Particular attention is drawn to the principle enunciated therein defining the obligations of the nation to rehabilitate members of the armed forces upon their return to civil life:—

"that adequate steps be taken to ensure that those who volunteered for service shall in no way be penalized on their return to civil life and, so far as possible, shall be assured of that place in civil life which they might reasonably be assumed to have obtained had they not enlisted."

This principle has been accepted by the government and reference has been made to it in the pamphlet published by the Department of Veterans Affairs under the title, "Principles Governing Rehabilitation Training." It will be noted that this principle implies an original freedom of choice and action on

the part of the veteran, independence, and ability to make a place for himself in the community. It also implies that while he may have a right to all the assistance the government or other agencies can give him it cannot rehabilitate him without appropriate initiative and effort on his own behalf.

National Council of Veteran Associations in Canada, Complete Brief:

The CHAIRMAN: Gentlemen, we are here this morning to hear a brief submitted by the National Council of Veteran Associations in Canada. Colonel Baker is in charge of the delegation which will submit the brief. Colonel Baker, O.B.E., M.C., Croix de Guerre, and LL.D., we have great pleasure now in calling on you to make the first submission and introduce the delegation.

Colonel BAKER: Mr. Chairman and gentlemen: With your kind permission I should like to propose that after a very few remarks from myself I be permitted to introduce Colonel Lambert to give you the introduction of the members of the delegation and then in turn we will call on Mr. Frank McDonagh, Colonel Lambert and Mr. Harpham to read the presentation. If that meets with your approval may I proceed?

The CHAIRMAN: That is fine.

Colonel BAKER: Then, may I take this opportunity to thank you and the members of this committee for your kindness in permitting us to be with you this morning. I appreciate the fact you have been very busy and that it was not possible to meet with us last Thursday morning, but we have a full attendance of our delegation this morning. Without any further remarks I will now call on Lt.-Col. the Rev. Sydney Lambert, O.B.E., the only president which the War Amputations Association has had since 1921, and chaplain of Christie Street Hospital, Department of Veterans Affairs. Colonel Lambert, would you please read the names of the delegation?

Colonel LAMBERT: Mr. Chairman, Colonel Baker, Mr. Deputy Minister and gentlemen: I am sorry that Eddie is not able to read this for us, but he, as you know, is secretary-treasurer of the Sir Arthur Pearson Association of War Blinded, and is also president of our National Council of Veteran Associations. He has asked me to introduce our delegation, a rather formidable one, I would say, to this group. Our only regret is that one of our number is not able to be with us to-day. I refer to the representative of the Army and Navy Veterans of Canada, Dr. Peter Mellon, their dominion secretary-treasurer. He is ill. There is another gentleman whom I thought I would mention here if I may, one who has appeared before every parliamentary committee ever since parliamentary committees for veterans have gathered together in all the years gone by. I refer to one whom I regret very much is not with us on account of his tremendous disability. I refer to Richard Myers, one of the most outstanding veteran movement gentlemen we have ever known. We were sorry to lose him. He was our star witness. If you wanted to know anything about pensions you asked not Walter Woods but Dick Myers.

I present to you with a great deal of pleasure the members of our delegation and would ask them to stand as I call their names. The first representative of the Canadian Corps Association is Mr. Stanley Harpham, dominion vice-president, and the president of the Ontario Command of the Canadian Corps Association. Next is Captain Dr. W. C. Givens, M.C., chairman of the pension committee of the Canadian Corps Association. With him is Major Edwin Meredith, honorary treasurer of the Dominion Command of the Canadian Corps Association.

The Canadian Pensioners Association of the great wars is represented by their dominion president, Mr. Frank G. J. McDonagh, and Captain T. E. Bowman, dominion treasurer. The Sir Arthur Pearson Association of War Blinded is represented by their president, Mr. W. C. Dies, who is not only blinded but also a war amputation. Captain F. J. L. Woodcock, first vice-

president of the Sir Arthur Pearson Association of War Blinded; and our friend, Colonel Eddie, does not need any further introduction, Colonel E. A. Baker, O.B.E., M.C., Croix de Guerre and LL.D. Doctor Baker! That is the first time he has ever been called that.

Then there is the Army and Navy Veterans in Canada. As I told you, Dr. Mellon is not able to be with us, but Mr. J. Nevins, assistant dominion secretary, is present with us.

Then there is our own little group, the War Amputations of Canada, with which it is my privilege to be associated in a very humble way. We have also brought with us Mr. Hubert S. Baxter, our honorary dominion secretary, and an imperial veteran, and Robert Wilson, our honorary dominion treasurer. I submit the names of the delegation here to-day and I present to you Mr. Frank G. J. McDonagh, president of the Canadian Pensioners Association, who is to read the brief.

Mr. McDONAGH: Mr. Chairman and gentlemen: the membership of the National Council of Veteran Associations in Canada has already been read to you.

When considering the opinions and recommendations to be presented in this brief, it should be understood that they are the product of careful consideration and unanimous agreement by all five member organizations. Also, it should be kept in mind that the membership in each of our organizations comprises ex-servicemen of both the first and second great wars. Finally, the associations of War Amputations and War Blinded, as specific disability categories, bring to bear on all our discussions the intimate and well considered consensus of opinion of those seriously disabled through war wounds.

Hence, we present our views on provisions and procedures in respect to the various stages of demobilization and rehabilitation involved at discharge, during the physical rehabilitation period through hospitalization, compensation for residual disabilities incurred on service, the many provisions advancing education, the development of new skills through vocational training or the improvement and adaptation of those already possessed, settlement on the land or small holdings, and finally consideration of the immediate difficulties, housing, etc., so seriously affecting both the demobilized, and government provisions for their rehabilitation.

We believe that the House of Commons, representing the people of Canada, and the government which must accept the responsibility for giving effect to the will of parliament, may be fully depended upon to make provision for ex-service personnel as needs are understood and can be met. We realize that government provisions must be carefully administered by a responsible and experienced government agency. We wish to gratefully acknowledge the action of the government in co-ordinating most services for veterans in one department under one responsible minister. In association with the Canadian Legion, B.E.S.L., we have definitely objected to any re-allocation of treatment or any other services to any department of the government other than the Department of Veterans Affairs.

Our council as such, and executives of member associations of our council, fully concur in the view that it is our responsibility on behalf of the veteran in general to co-operate with the Department of Veterans Affairs to ensure the most effective and beneficial application of existing provisions and in the light of our experience to suggest and even press for adjustments of existing provisions or to propose additions in order to overcome existing difficulties, or to meet practical needs not already anticipated and in respect to which departmental authority has been restricted by parliament. Hence with your leave we are before you to-day to present our considered opinions and recommendations on behalf of ex-servicemen in general and the disabled in particular.

1. *Clothing Allowances*

We strongly recommend that the clothing allowances for all members of the armed forces, discharged since the outbreak of war in September, 1939, and who have had overseas service, should be at the existing rate of \$100. We have advocated this policy since 1943.

2. *War Service Gratuity*

We strongly recommend that war service gratuity and re-establishment credit should be computed for the period of service dating from enlistment to the date of discharge for rehabilitation. (Treatment as defined in P.C. 4465 Class 2, paragraph 1.)

It is recognized that in some cases treatment is completed on strength, in hospitals conducted by the armed services. In other cases, a limited portion only of the hospital period is spent in armed services hospitals before discharge from the service to a Department of Veterans Affairs hospital for completion of treatment. Present practice is to compute war service gratuity and re-establishment credit only for the period dating from enlistment to date of discharge from the armed services.

3. *Medical Treatment*

(a) *Hospital accommodation:* We strongly urge that every effort be made by the government of Canada to provide adequate accommodation and suitably designed hospital units up to modern accepted standards. We do not understand all the reasons for delay in the building of necessary modern hospitals for the treatment of ex-service men, especially those of the recent war. The best hospital staffs in the world achieve better results under ideal conditions than otherwise. At the end of the first great war, with no previous experience to guide, there may have been some excuse for the opinion that veterans' hospitals would at most be temporary. Surely in the past thirty years we should have learned the fallacy of that view. In our opinion proper hospital accommodation for the treatment of our casualties of the recent war should take priority over all other building programs.

(b) *Medical Staff:* We strongly recommend that the Department of Veterans Affairs should be given the greatest possible freedom and authorization in selecting and maintaining medical staffs, of the highest possible standards for the treatment of all casualties and ex-service men in and out of hospitals. In this connection, we believe that apart from the administrative staff, it will be in the best interests of medical personnel and of the patients that permanent civil service appointments be avoided. We further believe that the closest possible co-operative relationships should be maintained between all departmental hospital units and the medical faculties of universities, which constitutes, perforce, the focal points of advanced thought and techniques in the medical profession. We have been encouraged by the outstanding evidence of the value of recent developments in modern medical science in the treatment of our war casualties. We are anxious that the most up-to-date developments should at all times be available to ensure the best possible service for those whose physical and mental rehabilitation is such a vital factor. We further urge that every attention be given to maintaining relationships between the patient and treatment staff on the same high plane as is the case with civilian patients in private hospitals.

(c) *Records*—We strongly urge that the files of each ex-service man, especially those who served in the first and recent great wars, should be reorganized so that one medical docket contains all medical documentations.

Men who have served in the first great war and who have required much treatment and other considerations have in a great many cases voluminous file records ranging from two to twenty volumes. Medical records are scattered throughout this vast conglomeration. When occasion requires medical considera-

tion of the case, often under emergency conditions, the departmental medical officer or a specialist must wade through a vast amount of irrelevant material, if he wishes to be thorough in his review of the patient's history and avoid missing some essential item. In some cases it takes hours to make this thorough review. If all medical records were contained on the medical docket and attached to the latest volume of the man's file, the reference would be simplified; a great deal of time saved and a more understanding approach to the need of the patient would be possible. This applies particularly in the case of outstanding specialists whose services may be desired and who do not have the time to examine a voluminous collection of departmental files. This difficulty also will apply later in the event of consultants' opinion being required in respect to treatment for pension entitlement and so forth.

(d) *Medical treatment post-discharge.*—We strongly urge that ex-service personnel in their home communities should be free to choose a medical practitioner.

We have long objected to the departmental policy of selecting one doctor in a community to whom all veterans in the area must report in case of an emergency or ordinary treatment requirements. We feel very strongly that the department should complete an agreement with the Canadian Medical Association under which an adequate tariff of medical fees could be defined, and medical practitioners agreeing to the tariff should be listed on the treatment panel in each community. The ex-service men in each community may then on enquiry ascertain the list of practitioners on the panel in his community and may then make his own choice. This practice would be of the greatest possible assistance, especially under present day conditions. Large numbers are being discharged in every district, all of whom are entitled to free treatment for any condition during the first post-discharge year. At the same time there is a dearth of medical services available throughout the country, due to so many of our medical practitioners being still on active service. This practice would relieve much of the congestion at department centres where available medical staffs are now almost hopelessly overloaded. Similar arrangements should be made in respect to dental treatment where ex-service men and members of the procession are labouring under equally serious difficulty.

4. *Pensions*

We again strongly urge that the term "pension" be eliminated from the Canadian Pension Act and that the term "war disability compensation" be substituted in the title and the word "compensation" be substituted in all cases for the term "pension" throughout the Act, and in procedure.

We urge this change because the word "pension" or "pensioner" carries with it the connotation of a hireling, a dependent, or of one in receipt of income as an act of grace. Employers often associate with the word an inferior status and governmental responsibility for support.

In the 1930's disabled veterans were discharged from jobs on the grounds that they were in receipt of pensions. It is difficult for the public, including employers, to discriminate between pensions as compensation and pensions as an act of grace. The latter are commonly known as "burnt-out pensions" (war veterans' allowances).

The payment of war disability compensation must always be treated as something separate and apart from any general social security program. War disability compensation must be understood to be what it really is: mainly an attempt at compensation by the country for a disability incurred by members of the armed forces while in the service of our country.

5. *War Disability Compensation (Pension)* which we refer to hereafter instead of using the word "pensions"—

(a) *Basic rates*—We recommend that the unemployable disabled man on war disability compensation shall be entitled to apply for war veterans' allowances subject to the condition that his compensation shall not be computed as income for purposes of such application.

In a number of cases disabled men have been unable to follow any kind of remunerative employment. Others have become unemployable due to age and other conditions for which they had no entitlement. During the depression period partially disabled men were in receipt of compensation equivalent to relief standards, but were unable to augment such to a reasonable living standard through employment or from any other source. We do not believe that such a condition should ever again be allowed to exist.

We have been confronted by numerous suggestions that the present basis of compensation is inadequate and that it should be increased. We are, however, more particularly interested in relieving the privations of those who are unable to supplement compensation, of whatever amount, to a reasonable standard than we are in enlarging the compensation for those who are able to earn a reasonable income apart from such compensation. We recognize the fact that the war veterans' allowance is now available as a generally accepted provision for those men who served in an active theatre of war, or may otherwise be eligible but who have no entitlement under the Canadian Pension Act. We also recognize the fact that the man who had entitlement in any degree usually suffers just as much the hardships and privations of his service. We therefore feel that while war veterans' allowance is an economic provision for the unemployable ex-service man in general, its benefits should be available to the injured or otherwise disabled ex-service man who cannot command a reasonable standard of living by any other means.

(b) *Multiple disabilities*: We strongly urge that in the case of multiple disabilities each distinct disability should be individually assessed and that when totalled, compensation should be awarded to the full extent up to 100 per cent.

This will involve an amendment to the instructions referred to in section 24, sub-section 2 of the Canadian Pension Act which governs the application of the table of disabilities. When computing the pension entitlement of a multiple disability case in the past, the practice has been to assess the most serious one first and thereafter to assess others in order of importance on a successively reducing scale.

To illustrate, the following case is cited: Let us suppose that a man has become a casualty as a result of stepping on a mine in Italy. He has sustained severe injuries as follows:—

Loss of a foot, for which the degree of assessment is 50 per cent.

One arm severely injured, for which the degree of assessment is 40 per cent.

One eye injured, for which the degree of assessment is 30 per cent.

Back injury, for which the degree of assessment is 30 per cent.

Nerve and heart disability, for which the degree of assessment is 20 per cent.

Taking these assessments as individual assessments, they add up to a total of 170 per cent but this degree of assessment is not granted. His pension is worked

out on the basis of the original assessment of the major injury in regard to the loss of a foot which is assessed at 50 per cent. He then receives entitlement according to the following schedule:—

For the loss of a foot he receives 50 per cent, leaving 50 per cent.

For the arm injury he receives 40 per cent of the remaining 50 per cent, i.e. 20 per cent, leaving 30 per cent.

For the eye injury he receives 30 per cent of the remaining 30 per cent, i.e. 9 per cent, leaving 21 per cent.

For the back injury he receives 30 per cent of the remaining 21 per cent, i.e. 6·3 per cent, leaving 14·7 per cent.

For the nerve and heart disability he receives 20 per cent of the remaining 14·7 per cent, i.e. 2·9 per cent, leaving 11·8 per cent.

Under the present system, entitlement equals only 88·2 per cent for disabilities that actually total 170 per cent. He cannot, under this system, ever receive 100 per cent, no matter how many disabilities he may have received on service. This procedure does not apply in the case of double amputation cases where, we believe, the pension commission some years ago decided that these cases were entitled to receive 100 per cent.

NOTE:—We are seriously concerned over the plight of multiple disability cases whose total of assessments range from 150 to 250 per cent. We have a number of these but felt that they might be dealt with under the heading of helplessness allowances.

Lieutenant-Colonel Lambert will take up the brief from here. We made a change of speakers because we thought you might get tired of hearing one voice.

Lieutenant-Colonel LAMBERT: The brief continues.

6. *Helplessness allowances.*

We strongly recommend that the maximum amount of helplessness allowances should be increased from the present \$750 to \$1,200 per annum, applicable to all ranks, and further that in cases of multiple disability where the total of individual assessments is substantially in excess of 100 per cent that the commission be instructed to make awards appropriate to the needs of the case.

Our reason for suggesting an increase for the maximum amount available for any one case is that under conditions of the present day, and as anticipated in the years to come, the present amount of \$750 is inadequate to secure capable assistance for the most serious cases of invalid disabled.

For multiple disability cases, referred to in a previous section where the total of individual assessment is substantially in excess of 100 per cent, we believe that assistance in keeping with the need of the case should be given. In this it should be remembered that the basic rate of the compensation for lieutenants and all ranks below is definitely limited to \$75 per month.

Every disabled man, especially those with disabilities rated 100 per cent, has the greatest possible sympathy for others who carry an equivalent disability, plus others which he considers even more serious. We pay tribute to the spirit and fortitude of many a man who has laboured under a heavy burden for many years. We are vitally concerned in relieving in so far as is possible his difficulties and especially the difficulties which will confront the serious multiple disability cases among the young men who served in this war. We think in all deference we may point out at this juncture that the disabled of the first great war, and of this war up to the present, have taken a most reasonable and stable point of view in that no demands for war bonus or increases in pension have been levelled

at the government of this country. We believe, however, that consideration of the most seriously disabled in the group would meet with the general approval of the people of Canada.

7. *Deadlines Affecting Widows Wives and Children.*

We strongly recommend

(a) The elimination of the deadline of April 1, 1944, affecting allowances for wives of disabled men of the first great war, married after that date.

(b) The elimination of the deadline of April 1, 1944, in respect to allowances for children of disabled men of the first great war, born after that date.

(c) The elimination of the deadline of April 1, 1944, in respect to widows of disabled men of the first great war whose marriages occurred after that date, subject to the necessary regulation establishing the bona fide of marriage.

Deadlines in respect to wives and children as of May, 1933 were established as an economy measure. Considerable hardship and discontent resulted. In view of representations of veteran organizations and a sympathetic conviction of the government and administration, these deadlines were eventually advanced to April 1, 1944, with no retroactive payment. We submit that there would appear to be no practical purpose to be served by the retention of these restrictions and, in fact, it is highly desirable that these discriminations should now be eliminated, thus bringing the rights of the disabled of the first great war into line with the provisions for those who served in the second great war.

With reference to the deadline on the pension eligibility of widows we always contended that a fixed deadline created hardships and served no good purpose. We have always agreed with the principle of protecting this country against the danger of "death bed" marriages. We therefor suggest that the elimination of this deadline should be accomplished by appropriate regulations.

8. *Allowances for Widows with Children.*

We strongly recommend that the allowances payable for children dependent upon any ex-service man's widow entitled to pension should be reviewed and increased at least to the amounts now payable under orphan rates.

In this connection we have been unable to reconcile in our minds the thought that a widow on a limited pension income of \$60 per month can properly maintain and educate her children on the children's allowances which amount to one-half the rates now applicable to orphans.

9. *Section 11 (3) Canadian Pension Act*

We recommend that once hardship has been established in such claims the award of pension thereafter be relieved from the means' test disturbance.

In 1941 the Canadian Pension Act was amended to withdraw the insurance principle in respect to claims of certain types of accident and illness cases having service in Canada only. In view of the strongly expressed feeling that death and serious permanent injury claims involving hardship should receive consideration, the government of Canada in its wisdom, introduced section 11(3) in the Canadian Pension Act. The application of this section was more limited at first than at present but throughout it has been the practice to maintain surveillance over all cases in which such awards have been made to determine if and when at any time earnings or other income exceeded the narrow limit.

In practice the rate of pension allowed under this section is substantially below the rate which is allowed for comparable disability accepted under section 11 (1).

We believe that the disturbance of mind and insecurity felt by cases whose awards are made under this section should be relieved and occupation, where possible, thereby encouraged.

10. *Veterans' Bureau*

We strongly recommend that the Veterans' Bureau should be an independent commission having authority and freedom equivalent to that enjoyed by the Canadian Pension Commission.

We submit that the Veterans' Bureau should be placed under a separate commission, similar in freedom and status to the Canadian Pension Commission, or the Civil Service Commission so that it will be free from what might be considered departmental influence or direction. We further suggest that the chief pensions advocate shall have powers suitable to his position and equal to the power of the chairman of the Canadian Pension Commission, and we further suggest that the office of travelling inspector of the Veterans' Bureau be filled by a full-time advocate, in order that he may exercise constant supervision over the work and preparation of cases in the district offices of the bureau.

11. *Workmen's Compensation Payments*

(Order in Council 102-3375 May 3, 1944)

We strongly recommend that the restrictions placed on workmen's compensation awarded to a partially war-disabled case should be eliminated.

Under the above-mentioned order in council, it is provided that the war disability compensation maximum rate shall be an over-all limiting factor in respect to workmen's compensation awards. The government of Canada is primarily responsible for the rehabilitation of casualties. This includes treatment training, and all other means calculated to place the disabled individual back into the social and economic life of his community. During the rehabilitation of the more seriously disabled of the first great war, it was found that there was throughout the country a prejudice, especially in the minds of industrial employers, against the employment of the more obviously seriously handicapped, on the grounds that such men might be more subject to industrial accidents. In order to overcome this prejudice the Department of Soldiers' Civil Re-establishment made agreements with provincial workmen's compensation boards and other equivalent agencies and undertook to assume compensation responsibilities in the case of the more seriously disabled. War disability compensation is based on loss of earning capacity in the general labour market. On the other hand, workmen's compensation is based on an average of earnings for a given period prior to accident. In the case of the rehabilitated man there is surely no relationship between the basis of his war disability compensation in the general labour market and workmen's compensation which is dependent on earnings as the results of acquired skills. Therefore we submit that it is an unfortunate discrimination that deprives the ex-service man of the compensation to which he would otherwise be entitled. We must also remember that workmen's compensation is subject to contributions from the employer only and therefore involves a contractual obligation. Section 24, subsection 4 of the Canadian Pension Act provides:—

No deduction shall be made from the pension of any member of the forces owing to his having undertaken work or perfected himself in some form of industry.

We suggest that the limitation above referred to has the effect either of reducing the rights of the man in respect to compensation or alternately his pension contrary to the subsection just quoted.

12. *War Disability Compensation (Pension) Use of Information*

We strongly object to the practice of disclosing information on the rates of war disability compensation in the case of any ex-service man to any persons where the use or consideration of such information may prove to be to the detriment of such ex-service man.

In the past years we have experienced tabulation of the war disability compensation rates, applicable to ex-service men, in employment in governmental departments and in employment in large corporations both in industry and business. In Selective Service forms specific questions are asked concerning war service and disability compensation. Provincial and municipal government applications for employment contain questions of a similar nature. We can understand the desire of any employer to secure information as to the physical capacities of a prospective employee, in order to determine whether he would be physically or mentally capable of doing the work in prospect. On the other hand, we object to the suggestion that the employer has any more right to information in respect to war disability compensation than he has to information on workmen's compensation private income or personal assets.

13. *Education*

We recommend that in respect to allowances to ex-service men undergoing special university or vocational courses that consideration be given to some hardships being experienced in some of the larger centres owing to housing difficulties and high cost of living.

We have received indications that in some centres considerable difficulty is being experienced by university and special vocational students in securing accommodation and board within the scale of rates available. This problem will be greatly accentuated in the case of those who continue into the second and subsequent years of their courses and will then have no savings or gratuities from which to supplement this income. We suggest that in giving consideration to this problem, which would appear to be more serious in some centres than in others, that possibly this is a matter which should be the subject of discussion at the dominion-provincial conference with a view to seeking provincial co-operation where warranted.

14. *Training Allowances (Post-Discharge Re-establishment Order)*

We recommend consideration by the Department of Veterans Affairs under section 15 of the Canadian Pension Act which states:

The occupation or income or condition in life of a person previous to his becoming a member of the forces shall not in any way affect the amount of pension awarded to or in respect of him.

And section 20, subsection 3:

No pension shall be assigned, charged, attached, anticipated, commuted or given as security, and the commission may, in its discretion, refuse to recognize any power of attorney granted by a pensioner with reference to the payment of his pension.

Under the provisions of the present training allowance scheme the disabled ex-service man is required to utilize his war disability compensation to meet a substantial amount of the cost of any educational or vocational training course which he may undertake in order to fit himself for occupation or employment. While it may be argued that he is not an employee in the full sense of the term, we are seriously concerned over the example which is being set by the government.

I now present Mr. Harpham who will continue.

Mr. Stanley HARPHAM: The brief continues as follows:

15. *Assistance for Small Businesses*

We recommend that consideration be given to the development of a small business act under the provisions of which the discharged ex-service man who does not wish to make application for an educational or training course, or con-

sideration under the Veterans' Land Act, may receive assistance supplementary to his re-establishment credit, subject to necessary safeguards for the man and government of Canada.

We have realized that there is a group of ex-service men who may not have the inclination, or experience, to take advantage of the Veterans' Land Act, or to continue education, or to take up vocational training, but who are anxious to settle down in some one of a large variety of business undertakings. These men at the present time may receive no consideration or assistance beyond that which may be available through their relatively more limited re-establishment credit. While we recognize the difficulties in the way of making adequate provision for the great variety of cases involved, we do feel that every effort should be made to provide opportunities to men in this group reasonably equivalent to those enjoyed by men in other groups. We are strongly impressed with the desirability of maintaining and encouraging the small business in our economic scheme. We know of no more deserving group than ex-service personnel to be encouraged in this field.

NOTE: Attached hereto as Appendix A will be found the recommendations of the Toronto Reconstruction Council.

I may say that there is only one copy of that and it is in the hands of the chairman. I understand he is going to arrange for its distribution.

The CHAIRMAN: We shall table it and have it printed in the record. (Recommendations of Toronto Reconstruction Council appear as Appendix "A")

16. *Dual Service Pensions*

We recommend that those men of the Veterans' Guard of this war, who have served at home or abroad, both in the first and in the second great wars, shall have their service period totalled and shall be eligible for a service pension as in effect for the permanent force, subject to similar conditions that active service in war time shall be rated as double time.

We all realize that these men have in many cases had up to eleven years' active service and that they volunteered to serve in the Veterans' Guard in Canada during the second great war on the urgent appeal of the government and the people of Canada. These men are being discharged from the Veterans' Guard at a time when they are 50 to 65 years of age and in many cases they will have little chance of taking advantage of re-establishment provisions. It is suggested that in all fairness these men should not be overlooked or penalized for having spent so great a portion of their active lives in the service of our country but should be eligible to receive a pension by right of such service.

17. *Housing*

We strongly recommend that the government of Canada should utilize every possible practical avenue for providing rental housing for ex-service men and their dependents, especially in the larger centres where housing shortages were critical even before demobilization began and under present conditions actually jeopardize the success of rehabilitation provisions of such ex-service men; and further, that the government should also take immediate steps to utilize or develop temporary emergency housing provision to relieve in some measure the general housing problem of ex-service men.

We have been impressed with the trend of housing shortage which has been going on since 1940. First, the shortage arose because of the transfer of workers due to wartime industry. Second, to this difficulty was added shortage of material and labour for the building of housing accommodation. Next, the abnormal increase in wartime marriages and consequent desire to establish homes. Finally, the aforementioned shortages have not been met but have been actually increasingly aggravated until, at the present time, due to rapid demobilization, the whole situation becomes exceedingly acute.

We are familiar with and endorse the recommendations of the Canadian Corps Association in their brief to the Canadian Federation of Mayors and Municipalities and it is here presented as Appendix "B".

The CHAIRMAN: On that point, this appendix consists of eight pages. I suppose we will have that go in the record?

Mr. MUTCH: We have all got copies.

The CHAIRMAN: I have not had a chance to look over it to see whether it is of sufficient general interest that it might go out to the people who are taking this record.

Mr. MUTCH: Could it not be tabled without being read?

The CHAIRMAN: It will not be read, but the question is should it go on the record for those who are following it throughout the country?

Mr. GREEN: Oh, I would think so.

The CHAIRMAN: There is a motion to the effect that it be tabled and printed. (Recommendations of Canadian Corps Association appear as Appendix "B")

Mr. HARPAM: We believe that young men, who are forced by circumstances to take their education or vocational training in one of our larger centres, should not have to purchase homes at high prices and thus imperil their savings, war service gratuities and re-establishment credits often with little hope of realizing anything like the value of their equities. This housing problem has already discouraged many ex-service men from taking advantage of government re-establishment provisions, and in other cases has led them into housing investments which will be subject to very serious discount by the time they have finished their courses. We are anxious that our service men should not only benefit to the fullest extent from the generous rehabilitation provision which Canada has made available, but that they should be protected against the unfortunate consequences of a condition which has arisen due to wartime exigencies and during their absence on service.

We are also familiar with discussions which have occurred in respect to the possibility of the National House Builders Association undertaking active building under an arrangement with the government for rental purposes during this emergency. We urge that the government investigate this proposal as a means of securing more rental accommodation to help solve the present housing crisis.

18. *Seniority with Respect to Labour Agreements*

We strongly recommend that the government take steps to ensure that all veterans who will at any time be operating under collective bargaining agreements will receive credit for seniority purposes on account of time spent on active service.

The government is encouraging vocational training which will lead to employment in trades where union agreements are in effect. Unless some steps are taken to protect seniority no security of employment can be ensured.

From the foregoing presentation it will be noted that we have limited our proposals to certain specific items which in the light of information at hand appeared to be most pressing. These representations are based on existing resolutions from conventions of our member associations, modified in some cases for purposes of inclusion in this presentation. In other cases urgent needs which have arisen since any of our associations last had a convention have been the subject of general discussion and agreement, both as to the necessity for presentation at this time and the recommendations or opinions offered.

At this point we wish to commend the Honourable Ian Mackenzie, Minister of Veterans Affairs; Mr. Walter Woods, Deputy Minister of the Department of Veterans Affairs; and Brigadier James Melville, Chairman of the Canadian Pension Commission especially for the explanatory statements made to the committee. Speaking from experience we are impressed with the sense of responsibilities and the sympathetic interest of all senior experienced officials of the department in respect to the problems of both the disabled and non-disabled ex-servicemen. We realize that some of the difficulties which the department must contend with to-day are in substantial part the product of shortsighted policies of the past. This is particularly applicable in respect to hospital accommodation. We also realize that immense difficulties have been experienced in procuring and training additional staffs in both the treatment and rehabilitation programs. We have criticized, and will continue to do so until the needs have, in our opinion, been adequately and satisfactorily met. We are also equally prepared to commend efforts which have been thus far made, and achievements to date. Finally, we are depending on you, the members of this committee, to understand our point of view and our anxieties. You are not only responsible to your constituencies, but by virtue of your appointment on this committee you are as well responsible to the whole of Canada for recommendations calculated to promote and perfect all reasonable services and provisions necessary to implement the pledges of Canada and Canadians to that gallant body of men and women who risked their lives on our behalf. You too have had experience on the battlefield, on the high seas and in the air. We believe that you will recognize and that you will convince the parliament of Canada that, in all fairness, the needs of ex-servicemen in general and of the disabled in particular, representing as they do the select group of the young manhood and womanhood of this country, should take the highest possible priority that this country can give in the solution of their problems. We pledge our fullest co-operation, and extend our most sincere best wishes to you in your deliberations.

Colonel BAKER: Mr. Chairman, may I ask your kind permission to have Mr. McDonagh present one further item which we did not get into this presentation. It was drafted in a hurry. I should like to have permission to have him present that now as a part of the brief agreed to by the council as a whole.

Mr. McDONAGH: We would direct the attention of the committee to two technical points which we feel need clarification in pension procedure.

1. When the quorum as a second court was abandoned in 1939 in favour of the second application to Canadian Pension Commission, there were in the hands of veterans bureau thousands of quorum rejections, both registered for appeal and not registered. Sections 60 (1) and 60 (2) were designed to channel such cases into the new appeal board of the commission. They were enabling or facilitatory sections, not restrictive ones. The ninety day limitation in Section 60 (2) was not new—it began with the tribunal in 1930. They dealt with cases in which "right of appeal" existed.

The amended Act of 1939 failed, probably inadvertently, to make provision for "leave to re-open" (as distinct from "right of appeal") for tribunal and or quorum adverse rulings. "Leave to re-open" applies to cases in which right is exhausted.

Today it presents the following anomalous situation:

1. Leave to re-open in tribunal and quorum rejections was not provided for after 1939.

2. Leave to re-open in Federal Appeal Board cases existed until two years later, although the F.A.B. pre-existed both tribunal and quorum.

3. There has been no stoppage of "leave to re-open" in British Pension Commission, Canadian Pension Commission, or appeal court, although these courts pre-existed the end of the quorum by several years.

4. Leave to re-open has never been qualified by a time restriction.

To put it simply, the Pension Act has failed since 1939 for "leave to re-open" in Federal Appeal Board (1941) tribunal, and or quorum rejection cases.

We submit that in war disability compensation cases, there is always the possibility of discovery of new evidence which may not have been known or available at the time of the so-called final hearing. Also in view of the progress of medical science it may subsequently be shown that an error may have been innocently made, which may have deprived a man of entitlement which would have been granted if the evidence or new knowledge had been available. This submission is not made to allow further right of appeal, but to see that there is an opportunity at all times for leave to re-open in order to assist and protect the man who has had active service.

2. In Order in Council P.C. 9553 dated December 27, 1944, there is a limitation which should be removed as it may seriously affect men who served in the recent war.

Paragraph 5 of the said Order in Council reads "The commission may, in its discretion, entertain a further application in respect of any injury or disease resulting in disability, prior to an application for a hearing by an appeal board of the commission, but after a hearing by an appeal board, *the commission may entertain no further application in respect of any injury or disease whatsoever*, subject however, to the provisions of sub-section 4 of Section 57 of the Pension Act respecting leave to re-open an application in certain instances."

In effect, paragraph 5 prohibits an applicant for entitlement for a service connected disability, if application has not been made at the time set out in paragraph 5. It may be, and experience shows that it can be, that there may be one or more service connected disabilities which have not become evident at the time of the hearing by the appeal board of the commission.

There is a further presentation from the Canadian Pensioners' Association of the Great Wars.

The Canadian Pensioners Association of the great wars support the presentation just submitted to you by The National Council of Veteran Associations in Canada and wish at this time to direct your attention to a group of both wars, comparatively small in number, whom, we feel, are in need of special attention by the committee.

We believe that we are stating the understanding of the Canadian people when we say that if a man has suffered such grave disability on active service for Canada that the Canadian Pension Commission finds it necessary to award him pension (compensation) at the rate of 100%, that the Canadian people expect that such award will not place him in or near to the indigent class economically.

The single man—lieutenant and all ranks below—whose disabilities have been assessed at 100% receives \$75 a month. The married man in the same group receives in addition allowances which may increase or decrease, but the basic rate of \$75 a month applies.

At page 42 of the minutes of proceedings and evidence of this committee, the honourable the minister is reported to have said "Our regulations with regard to free treatment assume that any man whose income is less than \$100 a month is unable to provide hospital and medical services at his own expense. The Bureau of Statistics reports that approximately 70 per cent of male workers in Canada earn less than \$1,250 a year".

We appreciate that the 100 per cent pensioner may, if he is able, augment his income, but we submit that many in the 100 per cent group are unable to do so. These men, above all others, should not be placed by Canada in the position whereby they must apply for a charity grant in order that they may

have some of the creature comforts of the Canadian way of life. To Canada, in her time of need, they gave a square deal, and from Canada, in their time of need, they are entitled to a square deal, not charity.

Throughout the six long years of war, they have borne the extra expense of living mainly in silence. To them came no increase or cost of living bonus.

We direct the attention of the members of this committee to the plight of these men whose disabilities, in the service of Canada, have been found to be them is bound to increase, and recommend that they be given a supplementary increase in the basic rate, and thus help Canada to partially pay its debt to these men whose disabilities, in the service of Canada, have been found to be 100 per cent.

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